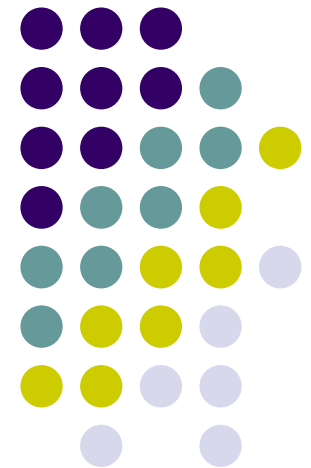


# SAYVILLE PUBLIC SCHOOLS

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## Introduction to the 2014-15 Proposed Budget

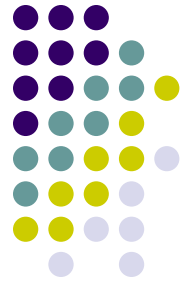


**Presented by:**  
**John Belmonte**  
**Assistant Superintendent for Business**

**February 6, 2014**

# Introduction to the 2014-15 Budget

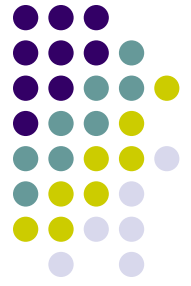
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- **Overview of the expenditure side of the budget**
- **Overview of the revenue side of the budget**
- **Overview of the 2% Property Tax Levy Cap**

# The 2014-15 Proposed Budget

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- Draft I of the 2014-15 Expenditure Budget is essentially a 'roll-over budget' from the current school year
- Current staffing levels were maintained and budgeted for 2014-15 – no new staffing positions are included in the Budget
- Other areas of the Proposed Budget were also maintained at current expenditure levels with minor changes (when necessary) to accommodate existing program needs – both instructional and support

# PROPOSED 2014-15 BUDGET



	BUDGET	BUDGET PERCENTAGE INCREASE	PROPOSED INCREASE ON TAX RATE
2014-15 Proposed Budget	\$92,240,583	3.11%	6.30%

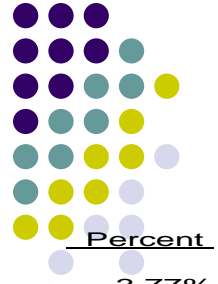
# **SAYVILLE PUBLIC SCHOOLS**

## **PROPOSED 2014 - 2015 BUDGET SUMMARY**

	<b><u>2013-14</u></b> <b><u>CURRENT BUDGET</u></b>	<b><u>2014-15</u></b> <b><u>PROPOSED BUDGET</u></b>	<b><u>INCREASE/ (DECREASE)</u></b>	
Salaries	41,550,568	43,320,111	1,769,543	4.26%
Fringe Benefits	<u>22,967,222</u>	<u>23,621,076</u>	<u>653,854</u>	<u>2.85%</u>
Total Salary & Benefits:	64,517,790	66,941,187	2,423,397	3.76%
Debt Service	5,857,174	5,509,449	(347,725)	-5.94%
Contractual Expenditures (4000 object codes, excluding Trans.& BOCES)	6,139,648	6,586,722	447,074	7.28%
BOCES	6,961,025	6,983,714	22,689	0.33%
Supplies	1,351,946	1,367,551	15,605	1.15%
Textbooks/Workbooks	232,590	332,590	100,000	42.99%
Transportation	3,577,836	3,681,540	103,704	2.90%
Transfers to:				
Capital Fund	500,000	500,000	0	0.00%
Special Aided Fund	150,000	150,000	0	0.00%
Equipment	173,208	187,830	14,622	8.44%
<b>TOTAL GENERAL FUND BDGT:</b>	<b><u><u>89,461,217</u></u></b>	<b><u><u>92,240,583</u></u></b>	<b><u><u>2,779,366</u></u></b>	<b><u><u>3.11%</u></u></b>

# Sayville Public Schools

## Projected Revenue and Tax Rate Schedule for 2014-15



	<u>2013-14</u>	<u>2014-15</u>	<u>Difference</u>	<u>Percent</u>
STATE AID	23,607,272	22,717,553	(889,719)	-3.77%
Pilot Payments	0	101,064	101,064	
<b><u>OTHER INCOME:</u></b>				
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	60,000	10,000	20.00%
Rentals/Organizations/Individuals/Gov't	34,000	34,000	0	0.00%
Rentals/BOCES	354,089	360,119	6,030	1.70%
Rentals/Old Jr. High	340,759	345,503	4,744	1.39%
Rentals/Public Library	1,025,125	1,004,875	(20,250)	-1.98%
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%
Medicaid Reimbursement - School Age Programs	125,000	125,000	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>2,604,151</b>	<b>2,604,675</b>	<b>524</b>	<b>0.02%</b>
<b>TOTAL STATE AID &amp; OTHER INCOME</b>	<b>26,211,423</b>	<b>25,423,292</b>	<b>(788,131)</b>	<b>-3.01%</b>
APPROP. FUND BALANCE	4,019,500	4,000,000	(19,500)	-0.49%
APPROP. RESERVE FROM TAX RESERVE	250,000	250,000	0	100.00%
APPROP. RESERVE FOR ERS	1,440,000	1,440,000	0	0.00%
APPROP. RESERVE FOR UNEMPLOYMENT	75,000	75,000	0	0.00%
APPROP. RESERVE FOR WORKERS COMP	150,000	150,000	0	0.00%
APPROP. RESERVE FOR DEBT SER - Library	78,938	58,688	(20,250)	-25.65%
	6,013,438	5,973,688	(39,750)	
<b>PROPERTY TAXES*</b>	<b>57,236,356</b>	<b>60,843,603 *</b>	<b>3,607,247</b>	<b>6.30%</b>
<b>TOTAL REVENUE/BUDGET</b>	<b>89,461,217</b>	<b>92,240,583</b>	<b>2,779,366</b>	<b>3.11%</b>
<b>Tax Rate Per \$100</b>	<b>2012/13 18.347</b>	<b>2013/14 19.503</b>	<b>Difference 1.156</b>	<b>Percent 6.30%</b>
<b>Home Assessed @ 40,000</b>	<b>7,339</b>	<b>7,801</b>	<b>463</b>	<b>6.30%</b>

\*Property Taxes also include revenue from STAR repayments.

# 2014-15 Emerging Trends



## State Aid –

### *Once Again - What You See is NOT What You Get*

- The Governor's Executive Budget shows Sayville Schools '**losing**' .28% in State Aid for an '**decrease**' of **\$63,491!**
- The Governor's estimated aids never adjusted Building Aid for the change in the State-Wide Interest Rate. Therefore, the Governor's reported State Aid figures are overinflated – Sayville will '**lose**' another \$96,882 !
- In addition, Sayville will be receiving '**\$643,801 less**' in State Aid, for the current 2013-14 school year, from what the Governor's run showed last April during the budget development process!

# 2014-15 Emerging Trends

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State Aid –

**Once Again - What You See is NOT What You Get!**

➔ **Furthermore, the Governor's estimated aid projections, for 2014-15, overstate our BOCES and Transportation aids by approximately \$100,000!**

➔ **THEREFORE, TAKING ALL OF THESE ADJUSTMENTS INTO CONSIDERATION – OUR BUDGETED STATE AID FOR 2014-15 IS \$889,719, OR 3.7% 'LESS' THAN CURRENT YEAR!!!!!!**

## **LESSONS LEARNED:**

- 1. YOU CANNOT RELY ON THE PROJECTED STATE AID RUNS. THESE ARE ESTIMATES AND THE FIGURES WILL CHANGE!**
- 2. NEVER TAKE YOUR STATE AID PROJECTED REVENUES TO THE WALL!**





# State Aid – Key Observations

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- We will be getting 'Less' than what is currently in the Executive Budget Proposal
- The State continues to fund public education at just slightly above 2008-09 levels
  - 2014-15: \$21.28 Billion
  - 2008-09: \$21.10 Billion
- Gap Elimination Aid (GEA) –
  - Continues to show an aid reduction of **\$3,118,969**,
  - The Governor only restored \$79,973, or 2% of our GEA aid loss



# Use of Fund Balance

	<u>2013-14</u>	<u>2014-15</u>	<u>Difference</u>	<u>% Change</u>
Approp. Fund Balance	4,019,500	4,000,000	-19,500	-0.49%
Approp. Reserve From Tax Reserve	250,000	250,000	0	0.00%
Approp. Reserve For ERS	1,440,000	1,440,000	0	0.00%
Approp. Reserve For Unemployment	75,000	75,000	0	0.00%
Approp. Reserve For Workers Comp.	150,000	150,000	0	0.00%
Approp. Reserve for Debt Service - Library	78,938	58,688	-20,250	-25.65%
	<u>6,013,438</u>	<u>5,973,688</u>	<u>-39,750</u>	<u>-0.66%</u>

**Fund Balance applied for 2014-15 represents 6.48% of our total revenues**

# Understanding NY's Property Tax Levy Cap

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***Although the 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!***

***The percentage cap is not automatically 2% every year – it is based on the December CPI and a complex formula!***

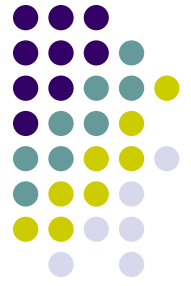
# Understanding NY's Property Tax Levy Cap



## A 2% Tax Levy Explained

# Significant Components of the 2% Tax Levy Cap Formula

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- Tax Base Growth Factor
  - Issued by NYS Department of Tax & Finance
  - Sayville's Growth Factor for 2014-15 is: "1.0000"
  - **No Growth – No Benefit**
- This is our first year with a PILOT Payment project
  - Estimated amount of \$101,542 is **"deducted"** in the formula and further reduces the District's Tax Levy Limit
- Based on the formula, our Total Adjusted Tax Levy Limit is only **1.09%**
  - ***Therefore, to meet the cap of 1.09%, we would need to reduce spending or receive additional revenue in the amount of \$2,980,546!***
  - ***Piercing the cap would require a super majority vote - 60% voter approval***

# Draft 2014-15 Property Tax Levy Worksheet



## Tax levy Limit (Cap) Before Adjustments and Exclusions

Prior Year Tax Levy:			57,236,356
Tax Base Growth Factor:		X	<u>1.0000</u>
			57,236,356
Plus: Prior Year PILOT Payments:		+	<u>0</u>
			57,134,814
<b><u>Prior Year Exemptions:</u></b>			
Capital levy: 2013-14 Debt Service: w/o Library	4,512,048		
Projected/Actual Capital Expenses thru 6/30/14:	500,000		
Less: 2013-14 Bld Aid: (GEN, BLD TRA Reports 12/18/13)	<u>3,290,566</u>	-	<u>1,721,482</u>
<b>Adjusted prior Year Tax Levy:</b>			55,413,332
Allowable Levy Growth Factor:			<u>1.014648</u>
			56,225,026
<b>Less: PILOT Payments for coming year:</b>		-	<u>101,542</u>
<b>Tax Levy Limit:</b>			<b>56,225,026</b>

## Exclusions:

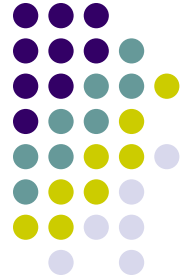
Tax levy necessary for expenditures arising out of tort orders/judgements over 5% FYE 2012 tax levy:			0
Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial or normal contributions rate in excess of 2 percentage points:			
Employers Retirement System:		+	0
Teachers Retirement System:		+	0

## **2014-15 Capital Tax levy:**

2014-15 Debt Service: w/o Library Debt	4,184,573		
<b>Less: 2014-15 Building Aid: (NY State approved bdt.)</b>	<u>3,046,542</u>		
Add: Anticipated 2014-15 Capital Project Expenses:	500,000	+	1,638,031

**TOTAL ADJUSTED TAX LEVY LIMIT: 57,863,057**

# Draft 2014-15 Property Tax Levy Worksheet



<b>TOTAL ADJUSTED TAX LEVY LIMIT:</b>	<b>57,863,057</b>	57,236,356	<b>1.09%</b>
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## RECONCILIATION WITH TAX LEVY LIMIT

Tax Levy for 2014-15 Proposed Budget:		<b>60,843,603</b>	
<b>Less: 2014-15 Exemptions:</b>			
Employees Retirement System:	0		
Teachers Retirement System:	0		
<u>2014-15 Capital Tax levy:</u>			
2014-15 Debt Service: w/o Library Debt	4,184,573		
<b>Less: 2014-15 Building Aid: (NY State approved bdgt.)</b>	-3,046,542		
Add: Anticipated 2014-15 Capital Project Expenses:	500,000	1,638,031	
Proposed Levy Before Exemptions:		59,205,572	
<b>Tax Levy Limit:</b>		56,225,026	
Under/(Excess) Levy Over Cap Formula:		<b>-2,980,546</b>	<b>*</b>
<i>* Requires 60% voter approval</i>			

# What if scenario's based on Draft I of the 2014-15 Budget:

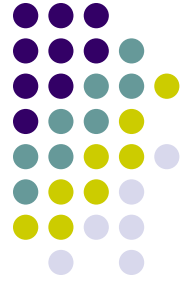


	Scenario 1	Scenario 2	Scenario 3
<b>Budget Reductions or Additional Revenues:</b>	\$2,980,546	\$2,000,000	\$1,500,000
<b>Percent of Budget Increase/Decrease:</b>	<b>-0.22%</b>	0.87%	1.43%
<b>Proposed Tax Rate:</b>	1.09%	2.81%	3.68%
<b>Yearly / Monthly Incr. on home assessed at 40K:</b>	\$80 / \$6.67	\$206 / \$17.17	\$270 / \$22.50



# Some Good News

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- This morning (2/6/14) we had a Suffolk Schools Health Plan meeting to set the rates for 2014-15.
- We are happy to report that due to the improved fiscal condition of the Plan, and the prudent management of the Trustees, rates were **DECREASED** by 2%.
- Therefore we can reduce from the Draft I budget \$407,499!
- ***This brings our budget increase down to 2.65% and the proposed tax rate to 5.59%***



# Where Do We Go From Here?

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- **Key Talking Points –**

- Do we reduce spending and to what level?
- Remember that **\$575,000** = 1% on the tax rate
- How do we increase our revenue stream?
- How do we continue to achieve budgetary savings?
- Do we reduce ~~\$2,980,546~~ \$2,573,047 from the Proposed Budget to reach the Tax Levy Cap?
- Do we reduce a lesser amount and pierce the Cap (requires 60% voter approval)?

**WELCOME TO THE BEGINNING OF THE 2014-15 BUDGET PROCESS**