

# *SAYVILLE PUBLIC SCHOOLS*

## ***The 2014-15 Budget Development Process***

Presented by:  
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Assistant Superintendent for Business

**April 10, 2014**



## 2014-15 Budget Development

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- *Since the last budget development meeting on April 3rd:*
  - We were at a 2.25% spending increase that carried a 3.90% projected tax rate increase (before STAR)
  - At the request of the Board, Administration went back and reviewed all budget areas for possible further reductions - with the collective objective in mind to preserve/maintain programs



## 2014-15 Budget Development

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- *Since the last budget development meeting on April 3rd:*
  - Formula to accomplish goal:

*One Weekend*  
+  
*10 hours per day*  
+  
*Review of 977 Budget Codes*  
+  
*Review of several years of expenditure trends for each code*  
*\$516,322 in recommended budget reductions*

# Additional Budget Reductions

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	<u>Additional Reductions</u>
Salaries	143,289
Fringe Benefits	38,969
<b>Total Salary &amp; Benefits:</b>	<b>182,258</b>
Debt Service	50,000
Contractual Expenditures (4000 object codes, excluding Trans.& BOCES)	21,000
BOCES	125,000
Supplies	6,000
Textbooks/Workbooks	80,000
Transportation	32,844
Transfers to:	
Capital Fund	0
Special Aided Fund	0
Equipment	19,230
<b>TOTAL ADD'L SAVINGS:</b>	<b>516,332</b>

# Additional Budget Reductions

Budget Code	Budget Reductions	Rational	
2110-1880-98	Sal. Non-cert. Monitors & Aids	50,000	Reduction of 14 hours per day of Aide time
2110-4440-09	Other Professional Service	20,000	Reduce tutoring services from outside agencies
2110-4800-09	Textbooks	80,000	Re-evaluate all textbook monies and begin to consider technology for replacement
2136-5010-01	Supplies and Materials	2,000	Reduction based on prior expenditure trends
2151-4450-09	Travel	1,000	Re-evaluate prior expenditure trends & available budget for staff travel in district
2153-2410-09	Equipment	4,000	Reduction based on prior expenditure trends
2153-5010-09	Supplies and Materials	4,000	Reduction based on prior expenditure trends
2250-4910-20	BOCES Services	100,000	Reduction based on anticipated S/E student returning to district from BOCES
2630-4910-55	BOCES Services	25,000	Re-evaluate technology - reduction of LAN support days
2856-2410-09	Equipment	3,000	Remove from budget- used funds raised by Wellness Day through Athletic Foundation
2856-2410-60	Equipment	3,730	Remove from budget- used funds raised by Wellness Day through Athletic Foundation
2856-2410-65	Equipment	8,500	Remove from budget- used funds raised by Wellness Day through Athletic Foundation
5540-4090-09	Regular Bus Service	13,460	In anticipation of lower CPI, reduced budgeted transportation amount from 3% to 2%
5540-4100-09	Handicapped/Out of District	19,384	In anticipation of lower CPI, reduced budgeted transportation amount from 3% to 2%
9760-7030-09	Interest Payments	50,000	In anticipation of low interest rates, reduced budgeted amount by 50K
2121-1200-98	Salaries Cert. Elem.	69,290	MS: going from 10 to 9 sections in 6th grade - reduction of 1.0 Elementary position
Various	Benefits Costs	28,359	
Various	AIS Reduction .4	34,609	Reduction of AIS at Middle School

<b>Total Reductions</b>	<b>516,332</b>
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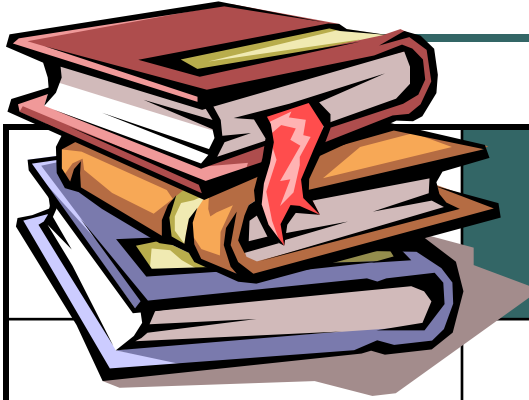
<b>Budget Increase</b>	<b>1.67%</b>
<b>Proposed Tax Rate Increase</b>	<b>2.99%</b>
<b>Annual Cost: Home A/V @ 40K</b>	<b>\$220 / \$18.34</b>

# SAYVILLE PUBLIC SCHOOLS PROPOSED 2014 - 2015 BUDGET SUMMARY

	<u>2013-14 CURRENT BUDGET</u>	<u>2014-15 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Salaries	41,550,568	42,928,559	1,377,991	3.32%
Fringe Benefits	22,967,222	23,061,446	94,224	0.41%
Total Salary & Benefits:	<u>64,517,790</u>	<u>65,990,005</u>	<u>1,472,215</u>	<u>2.28%</u>
Debt Service	5,857,174	5,459,449	(397,725)	-6.79%
Contractual Expenditures (4000 object codes, excluding Trans.& BOCES)	6,139,648	6,565,722	426,074	6.94%
BOCES	6,961,025	6,858,714	(102,311)	-1.47%
Supplies	1,351,946	1,361,551	9,605	0.71%
Textbooks/Workbooks	232,590	252,590	20,000	8.60%
Transportation	3,577,836	3,648,696	70,860	1.98%
Transfers to:				
Capital Fund	500,000	500,000	0	0.00%
Special Aided Fund	150,000	150,000	0	0.00%
Equipment	173,208	168,600	(4,608)	-2.66%
<b>TOTAL GENERAL FUND BDGT:</b>	<u><b>89,461,217</b></u>	<u><b>90,955,327</b></u>	<u><b>1,494,110</b></u>	<u><b>1.67%</b></u>

# PROPOSED 2014-15 BUDGET

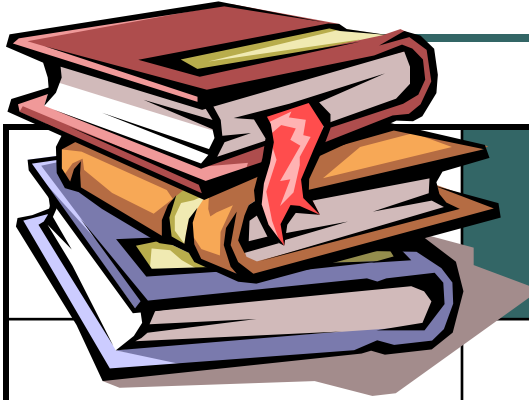
## DRAFT I & II



	BUDGET	BUDGET PERCENTAGE INCREASE	PROPOSED INCREASE ON TAX RATE
2014-15 Proposed Budget ( <i>Draft I</i> )	\$92,240,583	3.11%	6.30%
Revised Budget ( <i>Draft II</i> : Health Plan Rates Reduced by 2%)	\$91,883,084 (Reduction of \$407,499)	2.65%	5.59%

# PROPOSED 2014-15 BUDGET

**DRAFT III & IV**



	BUDGET	BUDGET PERCENTAGE INCREASE	PROPOSED INCREASE ON TAX RATE
2014-15 Revised Budget <i>(Draft III)</i>	<b>\$91,471,659</b>	<b>2.25%</b>	<b>3.90%</b>
Revised Budget <i>(Draft IV)</i>	<b>\$90,955,327</b>	<b>1.67%</b>	<b>2.99%</b>



## 2% Property Tax Cap

1. The lesser of 2% or the December CPI
2. The December CPI was 1.46%

[Video](#)

# Draft 2014-15 Property Tax Levy Worksheet

RECONCILIATION WITH TAX LEVY LIMIT		
Tax Levy for 2014-15 Proposed Budget:		58,950,383
<b>Less: 2014-15 Exemptions:</b>		
Employees Retirement System:	0	
Teachers Retirement System:	0	
<b>2014-15 Capital Tax levy:</b>		
2014-15 Debt Service: w/o Library Debt	4,184,573	
<b>Less: 2014-15 Building Aid: (NY State approved bdt.)</b>	-3,046,542	
<b>Add: Anticipated 2014-15 Capital Project Expenses:</b>	500,000	1,638,031
<b>Proposed Levy Before Exemptions:</b>		57,312,352
<b>Tax Levy Limit:</b>		56,298,597
<b>Under/(Excess) Levy Over Cap Formula:</b>		-1,013,755 *
		<i>* Requires 60% voter approval</i>

DRAFT

The District's calculated Tax Levy Limit is 1.22%.

To meet the Cap Limit we would need \$1,013,755 in budget reductions or additional revenues!



## Where Do We Go From Here?

- *Should the budget fail May 20, cut another \$1,013,755 from budget and have a re-vote on June 17*
- *Should the budget fail June 17, move to a contingency budget and reduce the budget by another \$700,272*

	2014-15 Adopted Budget	Tax Levy Cap Limit	Contingency Budget
<b>Proposed Tax Rate</b>	<b>2.99%</b>	<b>1.22%</b>	<b>0.00%</b>
<b>Budget Reductions or Additional Revenues:</b>	<b>\$0</b>	<b>-\$1,013,755</b>	<b>\$1,714,027</b>
<b>Percent of Budget Increase/Decrease:</b>	<b>1.67%</b>	<b>0.54%</b>	<b>-0.25%</b>
<b>Yearly / Monthly Incr. on home assessed at 40K:</b>	<b>\$220 / \$18.34</b>	<b>\$90 / \$7.50</b>	<b>\$0 / \$0.00</b>

## Plan B: Reduce Budget By Another \$1,013,755 to Reach Spending Cap

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- Re-vote on June 17<sup>th</sup>
- Will require 50% voter approval
  - Re-districting of the three elementary schools:
    - K-1 Center, 2-3 Center, 4-5 Center
  - Eliminate Assistant Varsity Coaches – (not Swimming or Spring Track)
  - Eliminate all JV & MS Assistant Coaches
  - Eliminate Secondary Summer School
  - Eliminate Curriculum Leadership
  - Eliminate positions: clerical, custodial, aides, monitors, security, tech support and lab managers
  - .8 FTE decrease at secondary level

## Plan C: Reduce Budget By Another \$700,272 to Reach Contingency Budget

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- Total budgetary reductions \$1,714,027
- Once budget fails twice, no voter approval permitted – move right to contingency
- Contingency budget is a 0% increase on the prior year 'tax levy' – not tax rate

# Plan C: Contingency Budget - What Will It Mean?

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- Move to 8<sup>th</sup> Period Day at Middle School
  - Band, Orchestra & Chorus before or after school
  - Eliminate Studio Art Acceleration
  - Biology Lab before or after school
  - Eliminate: Current Issues, MST, Planetarium, Pathways for Success, Communication Skills, Computer Applications, Wellness and Computer Elective
- Move to 8<sup>th</sup> Period Day at High School
  - Reduction: 9 FTE of Electives & AP Courses will not run across disciplines
- Eliminate Middle School Sports
- Elimination of Administrative position & support staff

# Use of Fund Balance 101

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- Fund balance can be viewed as the accumulated operating surplus or operating deficit for each school year
- Managed properly:
  - Fund balance is used to stabilize the tax rate
  - Fund balance (not all) can be used to support the cash flow to reduce Tax Anticipate Note borrowings
  - Enhances the credit rating of the School District
  - Provides additional revenue support for subsequent years' budgets
  - Should be cautiously used for re-occurring budget expenditures

## Some Fund Balance Facts

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### **\*\*\*CAUTION\*\*\*CAUTION\*\*\*CAUTION**

- For the 2013-14 school year, we are using \$6,013,438 in fund balance reserves to fund 6.73% of our operating budget
- For the 2014-15 school year, we are projected to use \$5,973,688 in fund balance reserves to fund 6.57% of our operating budget
- These monies are being used to fund re-occurring expenses
- We should look to begin to use these funds for one-time expenses
- Once depleted, how do we fill the void to continue funding our current program levels? State Aid, Tax Levy or Cost Reductions???



# Fund Balance Analysis Report

	Actual June 30, 2010	Actual June 30, 2011	Actual June 30, 2012	Actual June 30, 2013	Projected June 30, 2014
Voter Approved Budgets:	77,214,045	78,735,453	81,779,400	85,674,961	89,461,219
<b>Restricted Fund Balance:</b>					
Workers' Compensation Reserve	764,355	843,923	1,856,631	1,936,631	1,786,631
Unemployment Insurance Reserve	246,943	388,200	825,403	804,873	729,873
Reserve for ERS Contributions	1,031,378	1,033,522	5,415,154	6,474,312	5,049,312
Reserve for Employee Benefits & Accrued Liabilities	8,697,156	8,433,042	7,967,029	7,615,830	7,310,830
Reserve for Debt	180,146	98,489	9,674	373,045	295,357
Tax Reserve (Sale of Property-Library)				1,323,850	1,073,850
	10,919,978	10,797,176	16,073,891	18,528,541	16,245,853
<b>Assigned Fund Balance:</b>					
Assigned Appropriated Fund Balance	2,500,000	2,500,000	4,000,000	4,019,500	4,000,000
Reserved for Encumbrances**	1,860,765	2,421,020	2,934,644	2,869,650	2,000,000
	4,360,765	4,921,020	6,934,644	6,889,150	6,000,000
<b>Unrestricted Fund Balance:</b>					
Unassigned Fund Balance	5,449,818	7,429,359	3,424,023	3,575,973	3,325,000
Percentage of Budget	6.92%	9.08%	4.00%	4.00%	3.66%
<b>TOTAL FUND BALANCE:</b>	<b>20,730,561</b>	<b>23,147,555</b>	<b>26,432,558</b>	<b>28,993,664</b>	<b>25,570,853</b>
<b>Change in Total Fund Balance</b>					
<b>Fund Balance July 1, 20XX</b>	20,051,326	20,730,561	23,147,555	26,432,558	28,993,664
<b>Add: Revenues</b>	76,245,889	76,441,014	80,076,963	84,372,176	83,124,616
<b>Less: Expenditures</b>	75,566,654	74,024,020	76,791,960	81,811,070	86,047,427
<b>Fund Balance June 30, 20XX</b>	<b>20,730,561</b>	<b>23,147,555</b>	<b>26,432,558</b>	<b>28,993,664</b>	<b>26,070,853</b>
<b>Operating Surplus (Deficit)</b>	679,235	2,416,994	3,285,003	2,561,106	-2,922,811
<b>**Reserved for Encumbrances Obligations</b>	1,860,765	2,421,020	2,934,644	2,869,650	2,000,000
	-1,181,530	-4,026	350,359	-308,544	-4,922,811
	↑	↑		↑	↑
	Cut-off spending May 21, 2010	Cut-off spending Dec. 1, 2010		Cut-off spending May 10, 2013	Cut-off spending May 2, 2014

Source Documents: ST-3 Annual Financial Statements

# Budget Votes: Key Elements of the Law

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- Budget Hearing: May 13, 2013  
**LOCATION HAS BEEN CHANGED TO  
THE HIGH SCHOOL AUDITORIUM**  
  
**Meeting will start at 7:00 PM**
- School District residents will vote on the Proposed Budget on the third Tuesday in May: (May 20, 2014)