

Sayville Public Schools

*Proposed 2016-17
Budget – Part 3*

Presented by:
John Belmonte

Assistant Superintendent for Business

March 3, 2016



Our Next Meeting

- March 3, 2016

- ❑ Completes the review of expenditure side of the proposed budget:

- *Supplies, Textbooks/Workbooks, Transportation, Equipment and Transfer to Capital & Special Aided Funds.*

- ❑ Updates on Revenues and Discussion & Review on Fund Balance and Reserve Funds.

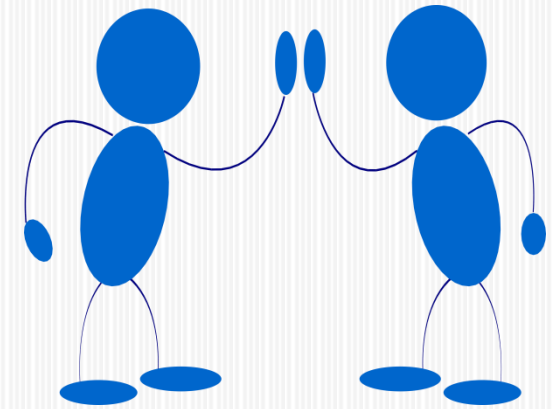


Ongoing Thoughts....



Overall, it is refreshing to begin the budget process on a positive note whereby we are enhancing educational opportunities for students, controlling costs, and able to provide the community with a property tax **REDUCTION** for the 2016-17 school year.

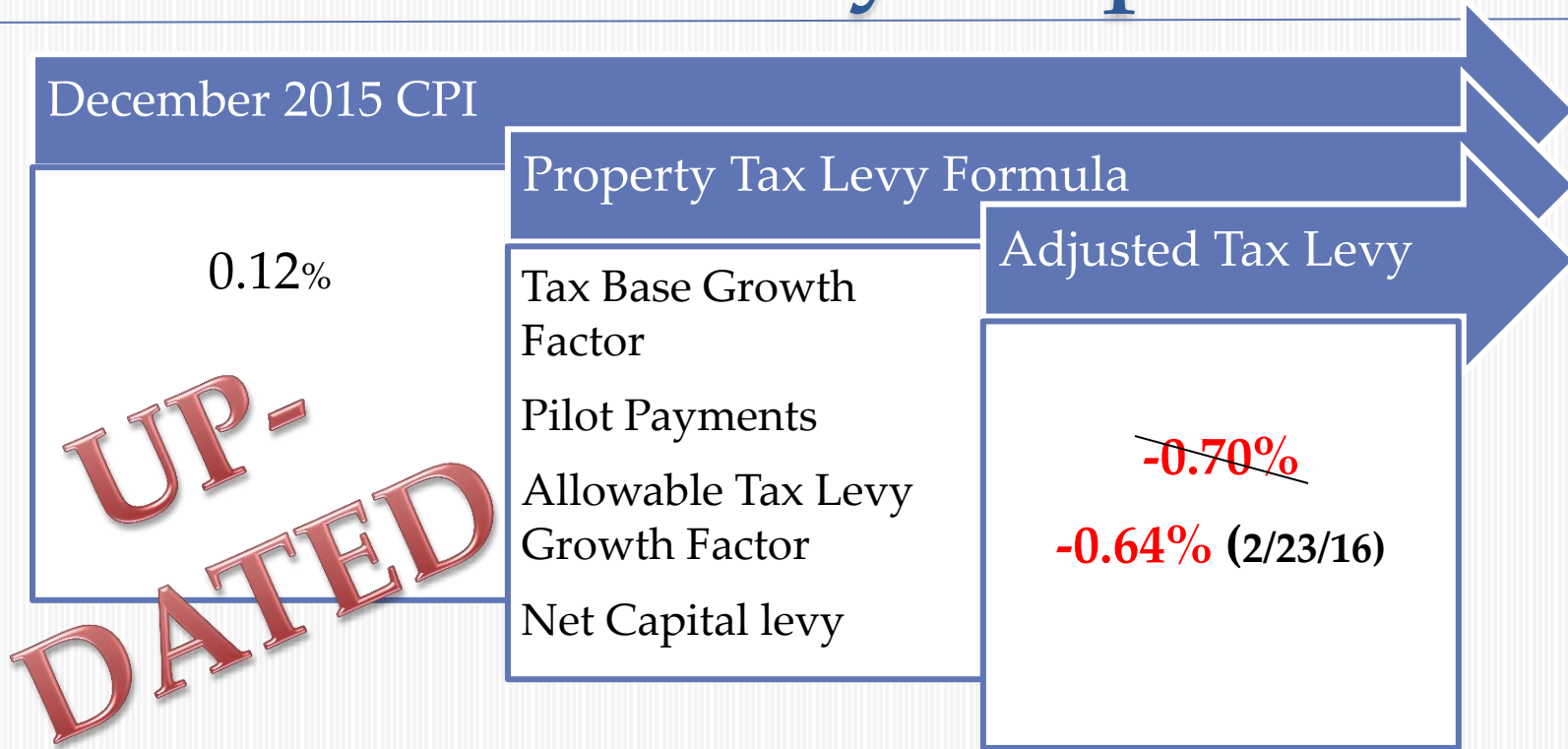
PROPOSED 2016-17 BUDGET



	BUDGET	BUDGET PERCENTAGE	PROPOSED <u>DECREASE</u> ON TAX RATE
2016-17 Proposed Budget	\$90,119,447	0.80%	0.00%

2016-17 Proposed Budget is a spending increase of \$714,452 or 0.80%

NYS 2% Tax Levy Cap Formula



❑ The following are some of the factors affecting the negative tax levy cap calculation for next school year:

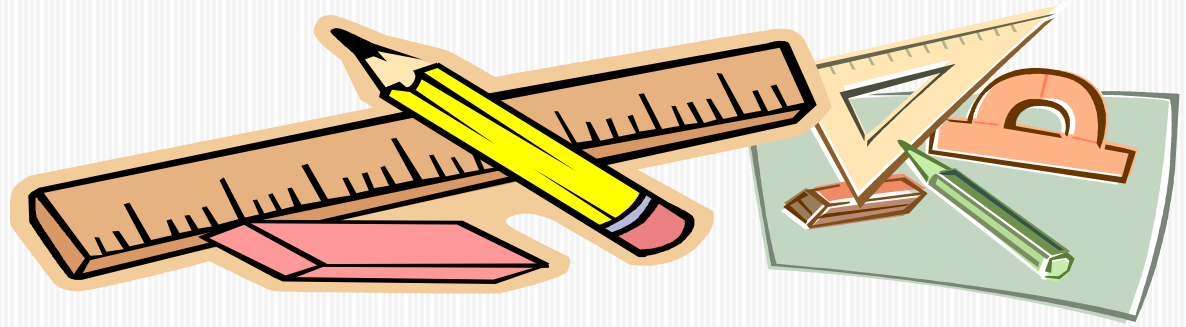
- *December 2015 CPI was only .12%;*
- *Sayville's Tax Base Growth Factor was negligible at 1.0010;*
- *Pilot payments continue to drive down our Tax Levy Cap Percentage;*
- *Continued reduction of the District's Debt Service, which also drives down the Tax Levy Cap Percentage.*

SAYVILLE PUBLIC SCHOOLS

PROPOSED 2016 - 2017 BUDGET SUMMARY

	2015-16 CURRENT BUDGET	2016-17 PROPOSED BUDGET	INCREASE/ (DECREASE)	
Salaries	43,784,216	44,520,476	736,260	1.68%
Fringe Benefits	20,412,692	20,698,875	286,183	1.40%
Total Salary & Benefits:	64,196,908	65,219,351	1,022,443	1.59%
Debt Service	5,417,509	5,136,644	(280,865)	-5.18%
Contractual Expenditures (4000 object codes, excluding Trans.& BOCES)	6,626,573	6,023,820	(602,753)	-9.10%
BOCES	6,659,852	6,765,898	106,046	1.59%
Supplies	1,386,764	1,568,620	181,856	13.11%
Textbooks/Workbooks	252,590	341,556	88,966	35.22%
Transportation	3,693,402	3,866,812	173,410	4.70%
Transfers to:				
Capital Fund	800,000	800,000	0	0.00%
Special Aided Fund	200,000	200,000	0	0.00%
Equipment	171,427	196,776	25,349	14.79%
TOTAL GENERAL FUND BDGT:	89,405,025	90,119,477	714,452	0.80%

Supplies



	<u>2015-16</u> <u>CURRENT BUDGET</u>	<u>2016-17</u> <u>PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Supplies	1,386,764	1,568,620	181,856	13.11%

- ✓ The most significant increase in supply costs is a \$125,000 provision to continue with 1:1 Chrome Book initiative in Grades 6, 7 and 8;
- ✓ Supply dollars are only 1.74% of the entire \$90.1M Budget.

Budget Pulse: 5-Year Trend

Supply Expenses

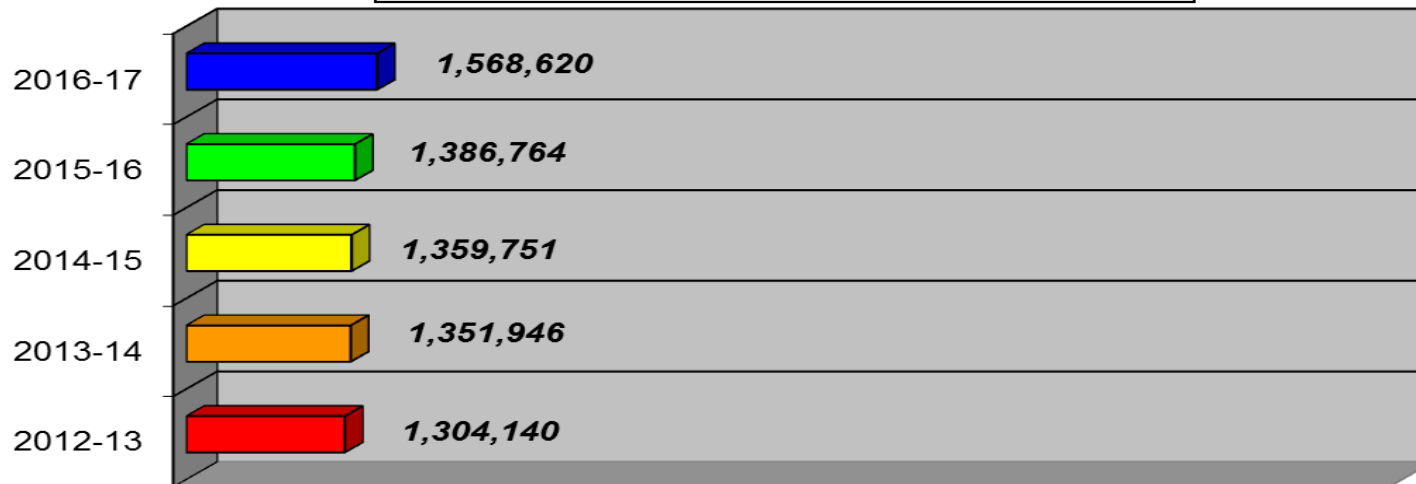
- ✓ An average increase of \$52,896 per year,
- ✓ For 2016-17 we will spend approximately \$540 per student.

Data Trends

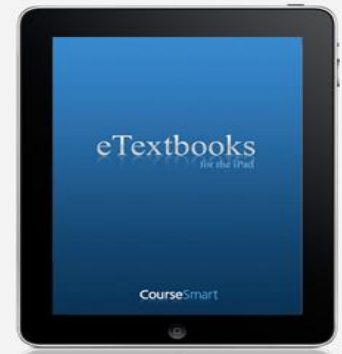
Supply Expenses:

5 Yr Change: 20.28%

Avg Over 5 Yrs Change: 4.06%



Textbooks/Workbooks

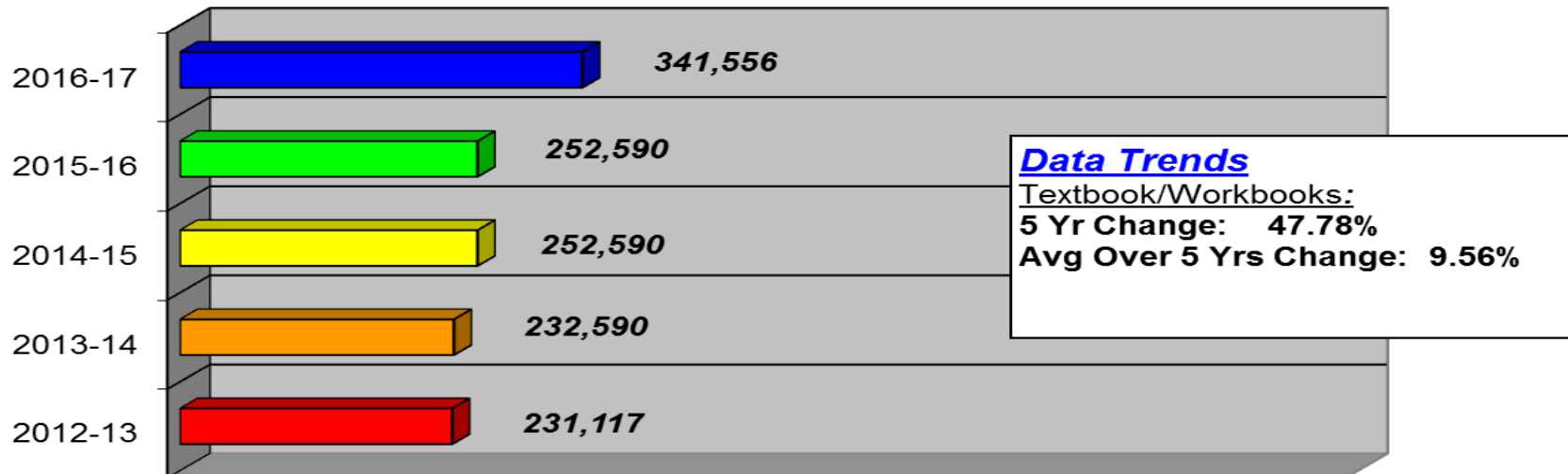


	<u>2015-16 CURRENT BUDGET</u>	<u>2016-17 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Textbooks/Workbooks	252,590	341,556	88,966	35.22%

- ✓ Textbook monies can now also be used for technology devices in the classroom – i.e., Chrome books;
- ✓ 2016-17 is Year 1 of 2 for implementation of new reading series grades K-5;
- ✓ New grade 6 reading series;
- ✓ District receives Textbook Aid on these purchases.

Budget Pulse: 5-Year Trend Textbook/Workbooks

Textbook Aid is based on the total dollars spent in this category, limited to \$58.25 per pupil. We are expected to receive approximately \$180,925 in Textbook Aid for 2016-17.





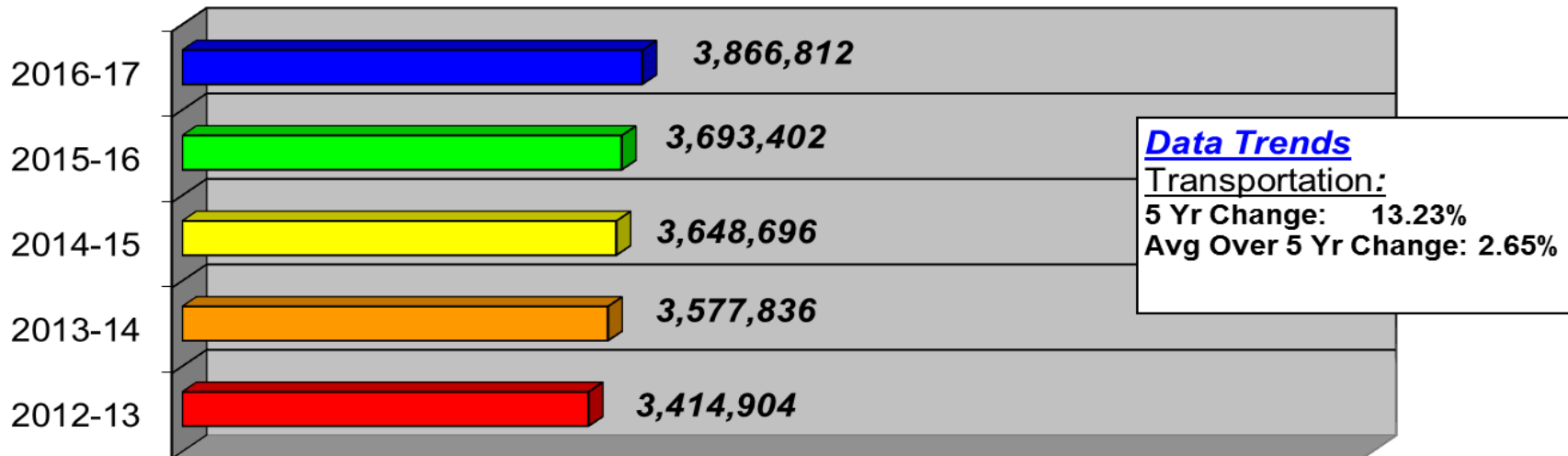
Transportation

	<u>2015-16</u> <u>CURRENT BUDGET</u>	<u>2016-17</u> <u>PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Transportation	3,693,402	3,866,812	173,410	4.70%

- ✓ **Sayville contracts out all student bus services;**
- ✓ **Ed Law allows Transportation Contracts to be extended annually at May 31st CPI;**
- ✓ **For 2016-17 we are currently re-bidding our large bus and van contracts (bid opening March 10, 2016);**
- ✓ **Our Summer School Special Ed Transportation Contract with Suffolk Transportation will be renewed at the May 31st CPI;**
- ✓ **Our Athletics Transportation Contract with John Bosch will be renewed at the May 31st CPI.**

Budget Pulse: 5-Year Trend Transportation

Sayville has a Transportation Aid Ratio of 55.4%, which will generate approximately \$1.556M in Trans. Aid for 2016-17





Updated Transportation Facts

- We currently transport 1,931 students within Sayville School District each day;
- We contract 18 Large Buses, 30 Vans;
- We transport 54 Private/Parochial students to 12 schools;
- We transport 38 Special Education students to 22 schools;
- Bus Safety – bus drills 3 times a year:
 - In the Winter, Grades K-2 participate in a Bus Safety Program, given by STS, that consists of 20 minutes in the classroom and 20 minutes of bus safety in a vehicle.

Transfers:

Capital & Special Aided Funds

	<u>2015-16</u> <u>CURRENT BUDGET</u>	<u>2016-17</u> <u>PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Capital Fund	800,000	800,000	0	0.00%
Special Aided Fund	200,000	200,000	0	0.00%

Transfer to Capital Fund:

Funds for year 2 of 5 in District-wide unit-ventilator replacement projects. These are individual-room units that bring fresh air and heat to the occupied spaces – *they do not provide air conditioning.*

Transfer to Special Aided Funds: Represents District's cost share of the Special Educational Summer School & other Special Ed Programs

Equipment

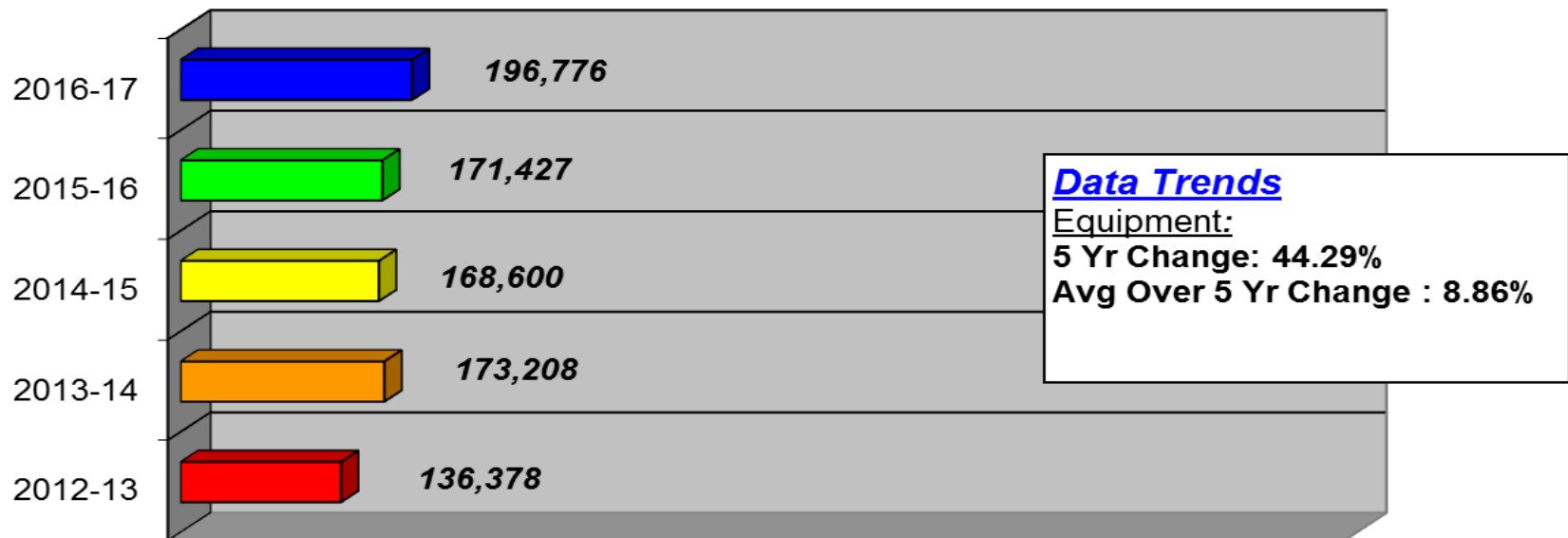


	2015-16 <u>CURRENT BUDGET</u>	2016-17 <u>PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Equipment	171,427	196,776	25,349	14.79%

- ✓ The Equipment Budget is a small part of the overall Budget;
- ✓ In accordance with District Policy, only equipment with a cost of \$1,000 or more is charged to an equipment budget code;
- ✓ Equipment costs that pertain to the following areas:
 - Building & Grounds Department: \$ 85,550
 - Technology: \$ 21,000
 - Athletics: \$ 24,579
 - Adult Ed (Drivers' Education) \$ 12,500
 - Other Instructional: \$ 35,152

Budget Pulse: 5-Year Trend Equipment

- ✓ Equipment dollars are only .2% of the entire \$90.1M Budget,
- ✓ Maintain Spending Level: A dollar increase of \$60,398 over five years,
- ✓ An average increase of \$12,080 per year.



Policy Information

Series 6000 - Non-Instructional/Business Operations

COMPREHENSIVE FUND BALANCE POLICY

Policy # 6420 (Adopted: August 25, 2011)

General Policy

Fund Balance measures the net financial resources available to finance expenditures within the current or future periods. The District's Unassigned General Fund Balance will be maintained to provide the District with financial stability and a margin of safety to fund unanticipated contingent expenditures that may occur unexpectedly during the fiscal year. The Unassigned General Fund Balance used for these purposes may only be appropriated by resolution of the Board of Education unless voter approval is required.

Policy Information

Series 6000 - Non-Instructional/Business Operations

COMPREHENSIVE FUND BALANCE POLICY

Policy # 6420 (Adopted: August 25, 2011)

General Policy (Continued..)

Any portion of Fund Balance may be applied or transferred for a specific purpose either by voter approval if required by law or by formal action of the Board of Education if voter approval is not required. Amendments or modifications to the applied or transferred fund balance must also be approved by formal action of the Board of Education.

The Board of Education shall delegate the authority to assign fund balance, for encumbrance purposes, to the Assistant Superintendent for Business and/or the person(s) to whom it has delegated the authority to sign purchase orders.

Policy Information

Series 6000 - Non-Instructional/Business Operations

COMPREHENSIVE FUND BALANCE POLICY

Policy # 6420 (Adopted: August 25, 2011)

General Policy (Continued..)

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

Fund Balance/Reserve Analysis

Fund Balance Reserve Analysis:	Actual	Actual	Actual	Projected		2013-14 Change		2014-15 Change		2015-16 Change	
	2012-13	2013-14	2014-15	2015-16		Dollar Amount	%	Dollar Amount	%	Dollar Amount	%
<u>Restricted:</u>											
Workers Compensation Reserve:	\$ 1,936,631	\$ 1,786,631	\$ 2,186,631	\$ 1,861,631		\$ (150,000)	-7.75%	\$ 400,000	22.39%	\$ (325,000)	-14.86%
Unemployment Reserve:	\$ 804,873	\$ 777,524	\$ 754,381	\$ 719,381		\$ (27,349)	-3.40%	\$ (23,143)	-2.98%	\$ (35,000)	-4.64%
Reserve for Retirement Contributions:	\$ 6,474,312	\$ 5,050,211	\$ 6,888,159	\$ 6,249,159		\$ (1,424,101)	-22.00%	\$ 1,837,948	36.39%	\$ (639,000)	-9.28%
Reserve for Employee Benefits:	\$ 7,615,830	\$ 7,518,561	\$ 7,465,039	\$ 7,198,325		\$ (97,269)	-1.28%	\$ (53,522)	-0.71%	\$ (266,714)	-3.57%
Reserve for Debt:	\$ 373,045	\$ 295,139	\$ 236,963	\$ 199,787		\$ (77,906)	-20.88%	\$ (58,176)	-19.71%	\$ (37,176)	-15.69%
Reserve for Tax Reduction:	\$ 1,323,850	\$ 1,073,850	\$ 823,850	\$ 623,850		\$ (250,000)	-18.88%	\$ (250,000)	-23.28%	\$ (200,000)	-24.28%
Total Restricted Fund Balance	\$ 18,528,541	\$ 16,501,916	\$ 18,355,023	\$ 16,852,133		\$ (2,026,625)	-10.94%	\$ 1,853,107	11.23%	\$ (1,502,890)	-8.19%
<u>Assigned Fund Balance:</u>											
Assigned Appropriated Fund Balance	\$ 4,019,500	\$ 4,109,654	\$ 2,376,600	\$ 2,125,000		\$ 90,154	2.24%	\$ (1,733,054)	-42.17%	\$ (251,600)	-10.59%
Assigned for Encumbrances	\$ 2,869,650	\$ 2,521,099	\$ 2,263,307	\$ 2,250,000		\$ (348,551)	-12.15%	\$ (257,792)	-10.23%	\$ (13,307)	-0.59%
Total Assigned Fund Balance	\$ 6,889,150	\$ 6,630,753	\$ 4,639,907	\$ 4,375,000		\$ (258,397)	-3.75%	\$ (1,990,846)	-30.02%	\$ (264,907)	-5.71%
<u>Unassigned Fund Balance</u>	\$ 3,575,973	\$ 3,473,107	\$ 3,575,950	3,400,000	3.77%	\$ (102,866)	-2.88%	\$ 102,843	2.96%	\$ (175,950)	-4.92%
Total Actual / Projected Fund Balance:	\$28,993,664	\$26,605,776	\$26,570,880	\$24,627,133		\$ (2,387,888)	-8.24%	\$ (34,896)	-0.13%	\$ (1,943,747)	-7.32%

2016-17 Proposed Use of Fund Balance/Reserves

SAYVILLE PUBLIC SCHOOLS PROPOSED TAX RATE SCHEDULE FOR 2016-17

	2015-16	2016-17	Difference	Percent
APPROP. FUND BALANCE	2,376,600	2,125,000	(251,600)	-10.59%
APPROP. RESERVE FROM TAX RESERVE	200,000	150,000	(50,000)	-25.00%
APPROP. RESERVE FOR ERS	650,000	500,000	(150,000)	-23.08%
APPROP. RESERVE FOR UNEMPLOYMENT	35,000	35,000	0	0.00%
APPROP. RESERVE FOR WORKERS COMP	325,000	325,000	0	0.00%
APPROP. RESERVE FOR DEBT SER - Library	37,688	37,688	0	0.00%
	3,624,288	3,172,688	(451,600)	-12.46%

Total Fund Balance/Reserves Utilized		
2013/14	Actual	(\$2,387,888)
2014/15	Actual	(\$34,896)
2015/16	Projected	(\$1,943,747)
2016/17	Projected	(\$1,458,184)
Change in FB/Reserves:		(\$5,824,715)

- Over a four (4) year period, we anticipate spending down our Fund Balance and Reserves by \$5.825M;
- Without this revenue source, the tax rate would have been approximately 10% higher over the same four (4) year period.

How Fund Balance Is Managed?



- Managed in accordance with Board Policy #: 6420,
- Holistic approach:
 - All encompassing view based on the [knowledge](#) of the nature, [functions](#), and [properties](#) of the [components](#), their interactions, and their [relationship](#) to the whole.
 - ✓ Revenue availability;
 - ✓ Sustainability of programs – instructional & non-instructional;
 - ✓ Continued funding of recurring program costs with savings;
 - ✓ Ability to replenish/restore Reserves - include in budget or utilize achieved savings through prudent fiscal management of the budget;
 - ✓ Well-managed Fund Balance/Reserves provides for stabilization of the tax rate.



Observations / Conclusions

- Since 2012-13, the District has been strategically using Fund Balance/Reserves to fund existing programs and lower the tax rate;
- Planned operating deficits exists in the last three school years; and we expect that trend to continue into 2016-17;
- With diminishing Budget Revenues, costs must continued to be reduced;
- Diminishing available Fund Balance, or Savings, decreases the amount of available cash to fund fiscal obligations in first six months of the school year – increases Tax Anticipation Note (TAN's) borrowing levels and interest costs;
- At some point in the future, Reserves will be spent down and strategies should be established as to the benefits of replenishing and/or implementing cost control/reduction considerations;
- Going forward, will the Tax Levy formula and extremely low CPI's force District's to spend down all reserve monies to preserve programs – will fiscal insolvency become a reality?

The Next Steps?



- Make any adjustments, modifications, additions or deletions to the 2016-17 Proposed Budget Document;
- On March 10, 2016, at the Board Business Meeting, finalize review of Proposed Budget;
- Once the Board has finalized the Budget, present for adoption;
- Comply with all Budget reporting and disclosure requirements;
- May 10, 2016 – Budget Informational Meeting and Public Hearing (7:30 PM at Administration Building);
- May 17, 2016 – Budget Vote and Annual Meeting and Election of Trustees (at Old Jr. High School Gym Area).