

EAST ISLIP UNION FREE SCHOOL DISTRICT

Budget Presentation #1

Presented by:

Mr. John Dolan, Superintendent

Mr. Stephen D. Harrison, Assistant Superintendent for Business

February 25, 2016

WELCOME

Thank you for caring enough to come out. Tonight we are presenting the first draft of the budget. Please be patient, as there are a number of moving parts in the budget, including the following:

- Personnel Decisions
- State Aid Projections
- Conflicting Reports (New York State Comptroller)
 - NYS Comptroller versus NYS Auditors
- Fiscal Stress versus the Myth of Unspent Funds



WE'VE CHOSEN TO ADDRESS:

- Fiscal Stress by aligning expenses with enrollment trends wherever possible and reducing the reliance of reserves to support the budget.
- Establishment of a Capital Reserve should revenues exceed expenses, which could mitigate future borrowing expense.

Budget Development

Expenses



Revenues

Reserves

Budget Drivers

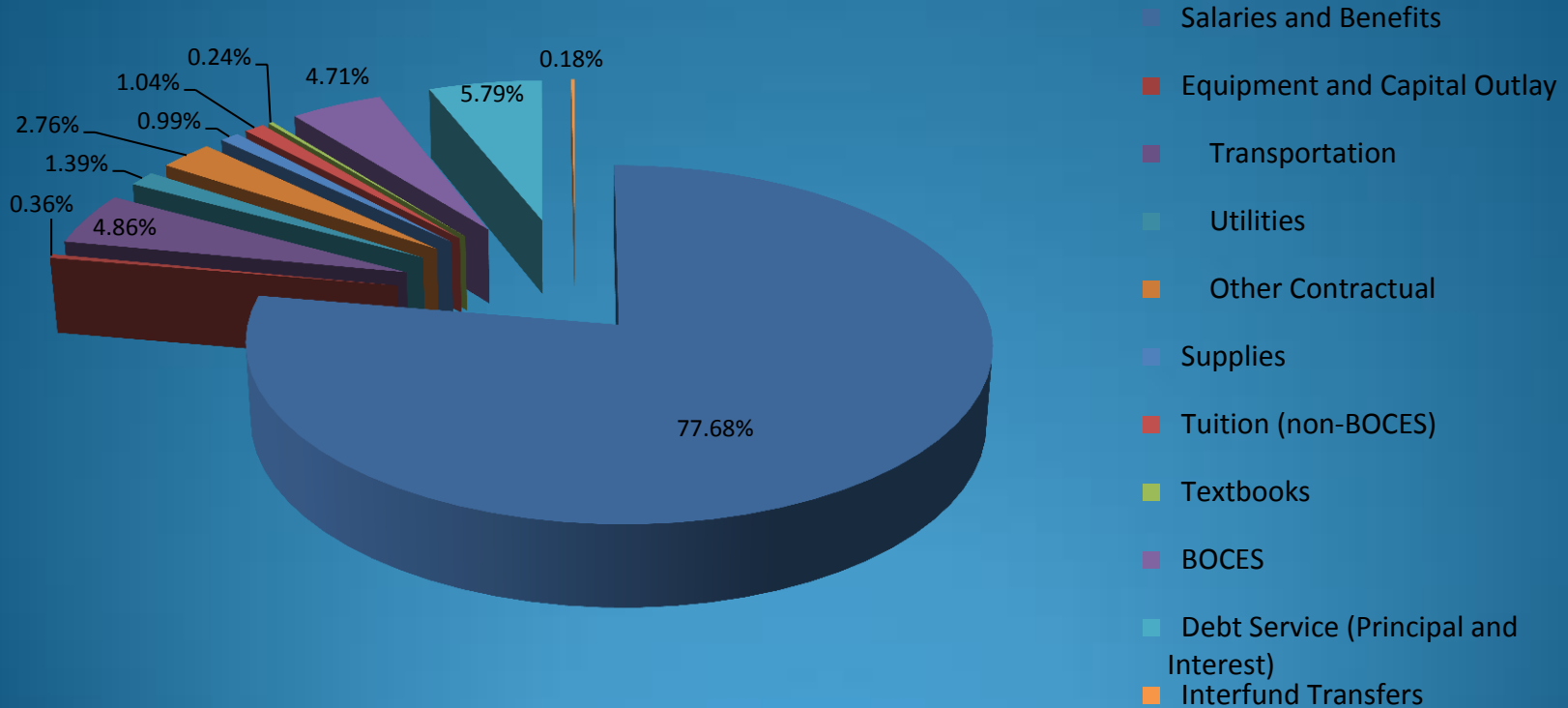
East Islip UFSD
2016/17
Budget Drivers
Based upon Draft #1

Expenditures by Object	Budget	Budget	2016/17 vs 2015/16		% of Change	% of Increase
	2015/16	2016/17	\$	%		
Personnel Services – Instructional	\$ 46,722,927	\$ 47,912,157	\$ 1,189,230	2.55%	1.07%	47.55%
Personnel Services – Non Instructional	\$ 11,617,654	\$ 11,844,086	\$ 226,432	1.95%	0.20%	9.05%
Employee Benefits	\$ 28,389,613	\$ 28,465,947	\$ 76,334	0.27%	0.07%	3.05%
Salaries and Benefits	\$ 86,730,194	\$ 88,222,190	\$ 1,491,996	1.72%	1.34%	59.65%
Equipment and Capital Outlay	\$ 278,283	\$ 406,072	\$ 127,789	45.92%	0.12%	5.11%
Contractual and Other						
Transportation	\$ 5,184,820	\$ 5,519,111	\$ 334,291	6.45%	0.30%	13.37%
Utilities	\$ 1,513,900	\$ 1,583,150	\$ 69,250	4.57%	0.06%	2.77%
Other Contractual	\$ 3,115,100	\$ 3,134,236	\$ 19,136	0.61%	0.02%	0.77%
Supplies	\$ 1,124,056	\$ 1,124,984	\$ 928	0.08%	0.00%	0.04%
Tuition (non-BOCES)	\$ 1,072,576	\$ 1,184,252	\$ 111,676	10.41%	0.10%	4.46%
Textbooks	\$ 337,831	\$ 274,311	\$ (63,520)	-18.80%	-0.06%	-2.54%
BOCES	\$ 5,346,138	\$ 5,346,138	\$ -	0.00%	0.00%	0.00%
Debt Service (Principal and Interest)	\$ 6,160,072	\$ 6,580,682	\$ 420,610	6.83%	0.38%	16.82%
Inter-fund Transfers	\$ 213,488	\$ 202,484	\$ (11,004)	-5.15%	-0.01%	-0.44%
Total Expenditures and Other Uses	\$ 111,076,458	\$ 113,577,610	\$ 2,501,152	2.25%	2.25%	100.00%

Expenditures by Object	% of Total	
	2015/16	2016/17
Salaries and Benefits	78.08%	77.68%
Equipment and Capital Outlay	0.25%	0.36%
Contractual and Other		
Transportation	4.67%	4.86%
Utilities	1.36%	1.39%
Other Contractual	2.80%	2.76%
Supplies	1.01%	0.99%
Tuition (non-BOCES)	0.97%	1.04%
Textbooks	0.30%	0.24%
BOCES	4.81%	4.71%
Debt Service (Principal and Interest)	5.55%	5.79%
Interfund Transfers	0.19%	0.18%
	100.00%	100.00%

Budget Drivers

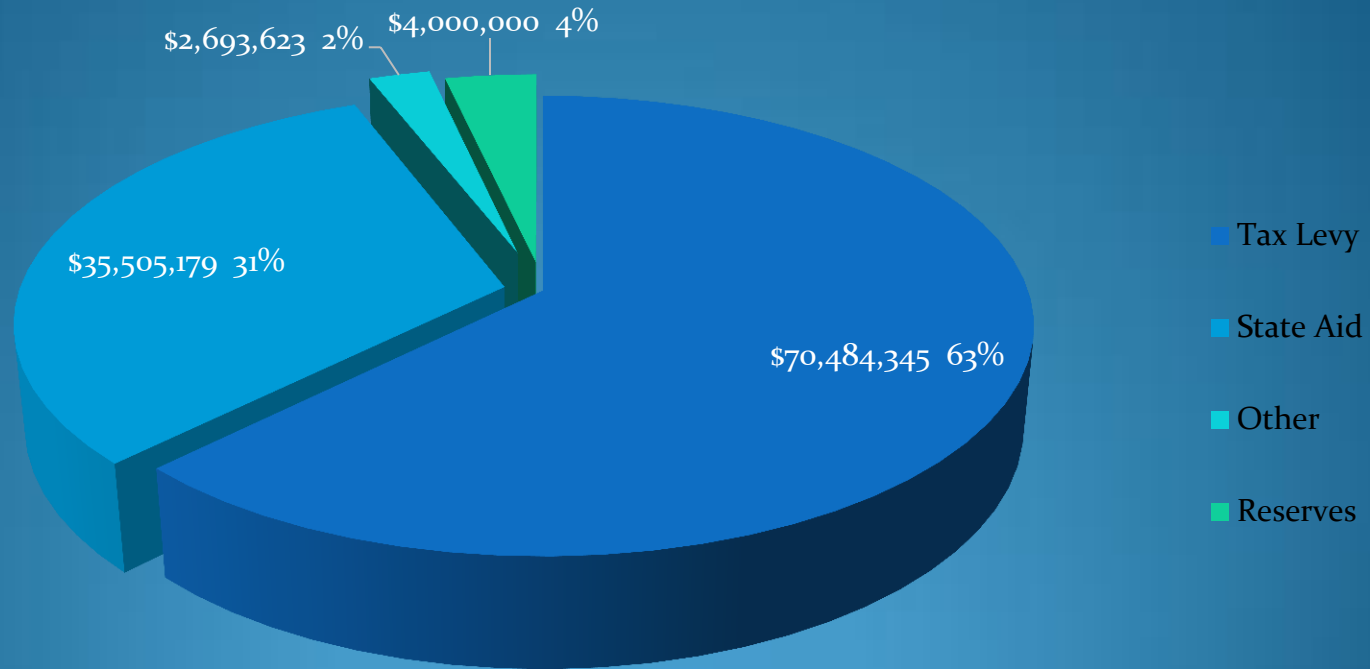
Percent Contribution



Revenue Drivers

- Property Tax Levy
- State Aid
- Miscellaneous
 - Rental of Property
 - Tuition
 - Before and After School Programs

Revenue Drivers/Reserves Percent Contribution



Calculating the Tax Cap Levy

East Islip UFSD
2016/17

Property Tax Cap Threshold

Factors Impacting the Maximum Allowable Tax Levy Limit (requiring a simple majority vote)

	<u>Factors</u>		<u>\$</u>	<u>%</u>	<u>%</u>		
			<u>Change</u>	<u>Change</u>	<u>Contribution</u>		
2015/16 Prior Fiscal Year Tax Levy		\$	70,428,345				
Tax Base Growth Factor (ORPS)	1.0000	\$	-		0.00%		
2015/16 PILOT Payments	\$ 531,036						
2016/17 PILOT Payments	\$ (550,796)						
	<u>\$ (19,759)</u>	\$	(19,759)		-35.03%		
2015/16 Capital Tax Levy/Capital Local Expenditures	\$ (1,027,844)						
2016/17 Capital Tax Levy/Capital Local Expenditures	\$ 1,020,094						
	<u>\$ (7,750)</u>	\$	(7,750)		-13.74%		
ERS and/or TRS Contribution Increase Greater than 2%		\$	-		0.00%		
Allowable Levy Growth Factor (lessor of 2% or CPI)	\$ 69,931,537 0.12%	\$	83,918		148.77%		
2016/17 Allowable Tax Levy (requires simple majority)		\$	70,484,753	\$	56,408	0.08%	100.00%

Tax Levy and Budget (Historical/Draft #1*)

Year	Tax Levy	Percent Increase	Approved/ Proposed Budget	Appropriated Fund Balance
2012/13	\$66,542,280	2.99%	\$105,858,971	\$3,836,124
2013/14	\$69,109,469	3.86%	\$109,476,684	\$4,577,700
2014/15	\$69,756,866	0.94%	\$110,785,649	\$4,866,622
2015/16	\$70,428,345	0.96%	\$111,076,458	\$4,000,000
2016/17	\$70,484,753*	0.08%*	\$113,577,610*	\$4,000,000*

State Aid

Governor's Proposal

STATE OF NEW YORK 2016-17 EXECUTIVE BUDGET

DISTRICT CODE: 580503
DISTRICT NAME: East Islip

2015-16 BASE YEAR AIDS:

FOUNDATION AID	\$ 25,430,368
BOCES + SPECIAL SERVICES	\$ 1,102,530
HIGH COST EXCESS COST	\$ 641,030
PRIVATE EXCESS COST	\$ 300,269
HARDWARE & TECHNOLOGY	\$ 57,609
SOFTWARE, LIBRARY, TEXTBOOK	\$ 333,159
TRANSPORTATION INCL SUMMER	\$ 2,533,400
HIGH TAX AID	\$ 1,721,431
GAP ELIMINATION ADJUSTMENT	\$ (2,067,687)
BUILDING + BLDG REORG INCENT	\$ 4,680,588
TOTAL (not including UPK)	\$ 34,732,697

2016-17 ESTIMATED AIDS: (Executive)

FOUNDATION AID	\$ 25,430,368	\$ -
BOCES + SPECIAL SERVICES	\$ 1,147,479	\$ 44,949
HIGH COST EXCESS COST	\$ 667,096	\$ 26,066
PRIVATE EXCESS COST	\$ 292,663	\$ (7,606)
HARDWARE & TECHNOLOGY	\$ 55,608	\$ (2,001)
SOFTWARE, LIBRARY, TEXTBOOK	\$ 335,080	\$ 1,921
TRANSPORTATION INCL SUMMER	\$ 2,578,171	\$ 44,771
HIGH TAX AID	\$ 1,721,431	\$ -
GAP ELIMINATION ADJUSTMENT	\$ (1,421,304)	\$ 646,383
BUILDING + BLDG REORG INCENT	\$ 4,698,587	\$ 17,999
TOTAL (not including UPK)	\$ 35,505,179	\$ 772,482

\$ CHG 16-17 MINUS 15-16	\$ 772,482
% CHG TOTAL AID	2.22%

\$ CHG W/O BLDG, REORG BLDG AID	\$ 754,483
% CHG W/O BLDG, REORG BLDG AID	2.51%

UNIVERSAL PRE-KINDERGARTEN (not part of the general fund budget)	\$ 218,700
TOTAL	\$ 34,951,397

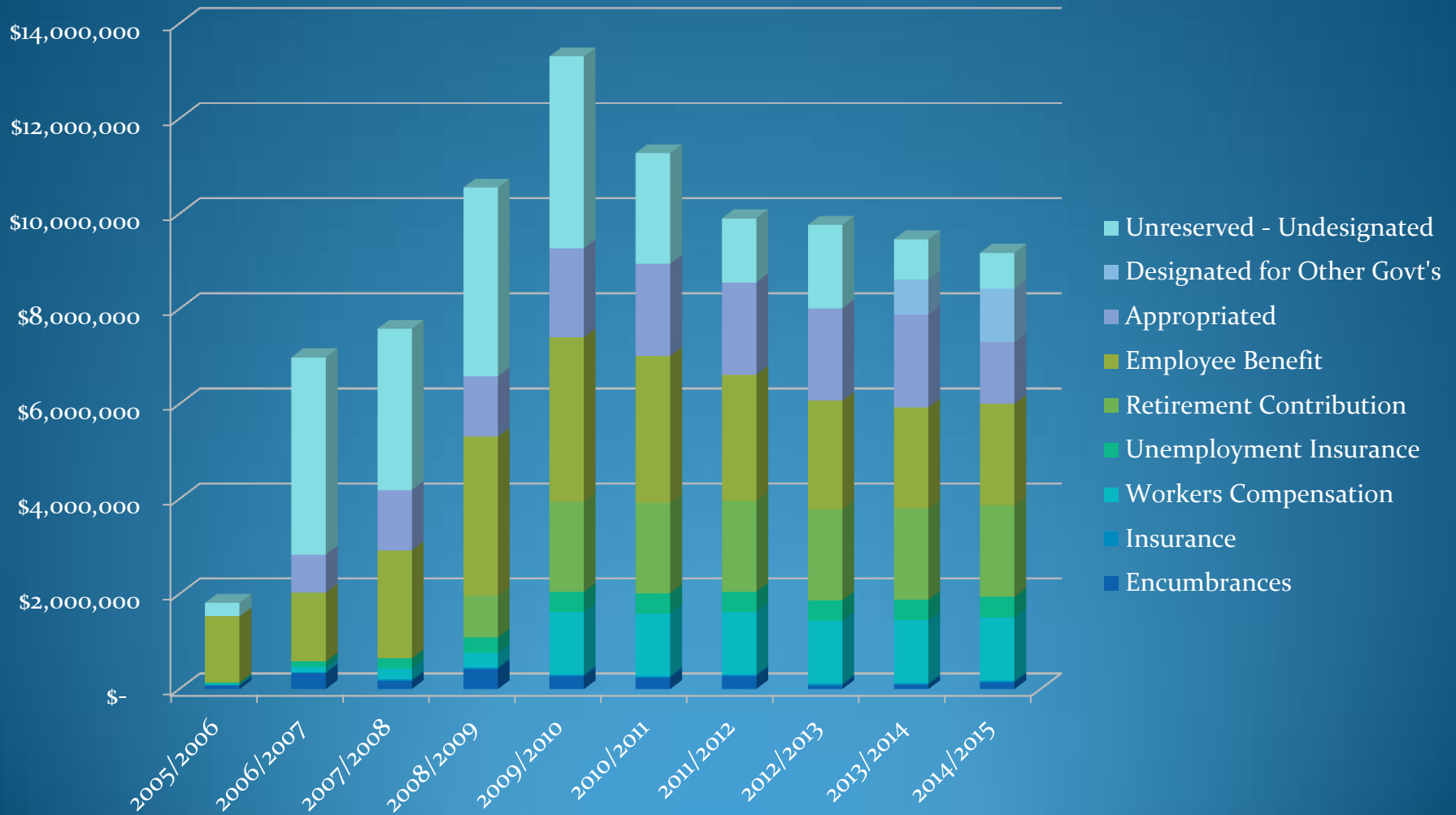
TOTAL	\$ 218,700
TOTAL	\$ 35,723,879

Draft #1

Expenses vs. Revenue/Reserves

- Based upon the first draft of the budget, there is a gap of \$894,463 between the expense budget and the amount of revenue and reserves allocated to fund the expense budget.
- The Board of Education and Administration will be working to eliminate the draft budget deficit and to reduce the reliance on reserves to fund the budget.
- Updated State Aid figures are expected by April 1st, the deadline for an on-time state budget.

Fund Balance (Reserves) History



Moderate Fiscal Stress

- Designated by The Office of the NYS Comptroller as being a district in moderate fiscal stress.
 - Unassigned Fund Balance less than 1% of expenditures.
 - Total Fund Balance less than 10% of expenditures.
 - Operating Deficits
 - Cash Ratios
 - Short term borrowing (affects most Long Island School Districts)

“ACT FAST - Avoid Crisis Tomorrow with Fiscal Awareness Strategies for Today” (taken from the website of The Office of the NYS Comptroller)

Calendar of Events

Date	Time	Meeting	Topic
March 10 th	7:00 p.m.	BOE	Budget Presentation #2
March 22 nd	7:00 p.m.	Budget Workshop	BAC Recommendations
April 7 th	7:00 p.m.	Budget Workshop	BOE Response to BAC
April 21 st	8:00 p.m.	BOE	Budget Adoption
May 10 th	8:00 p.m.	BOE	Business/Budget Hearing
May 17 th	6:00 a.m. to 9:00 p.m.		Budget Vote and Election

In Closing...

- ✓ We are committed to providing quality educational programs for all of our students and staying within the tax cap.
- ✓ We are looking to create and maintain programs that meet the needs of 21st century students and doing this in a fiscally responsible manner.

Once again, we thank you for coming out tonight.

We are looking forward to working with you and thank you for your continued support as we move through this process.

Thank You

- Questions and Comments