



EAST ISLIP UNION FREE SCHOOL DISTRICT

# **Budget Presentation #2**

Presented by:

Mr. John Dolan, Superintendent

Mr. Stephen D. Harrison, Assistant Superintendent for Business

April 7, 2016

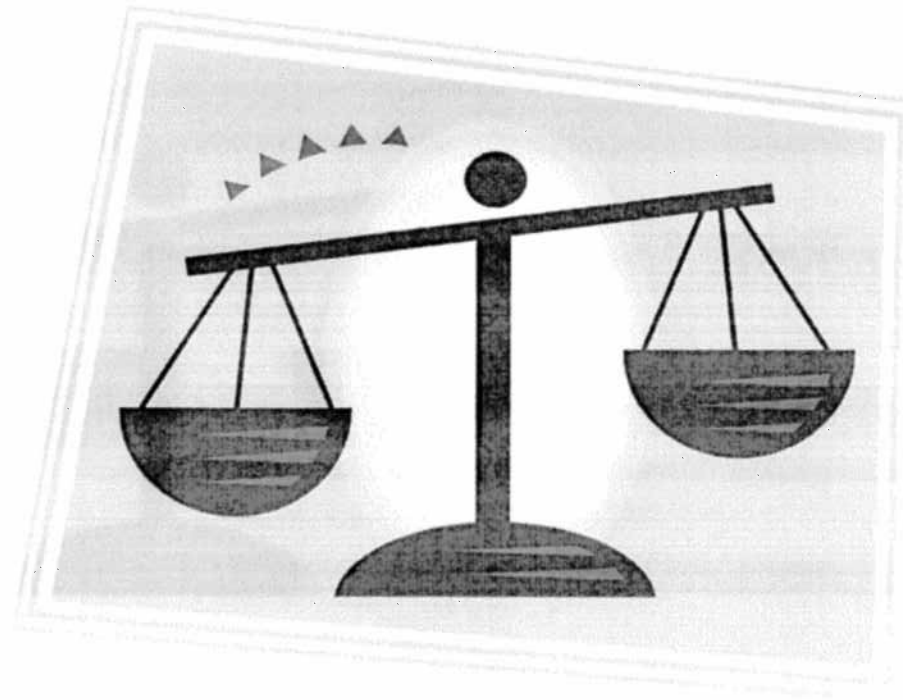


# Agenda

- **Budget Draft #2**
- **Budget Gap**
- **Review of Revenue**
- **State Aid Projections**
- **Capital Reserve**

# 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%
<b>Total Expenditures and Other Uses</b>	<b>\$ 111,076,458</b>	<b>\$ 113,577,610</b>	<b>\$ 2,501,152</b>	<b>2.25%</b>	<b>2.25%</b>	<b>100.00%</b>


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%
	<b>100.00%</b>	<b>100.00%</b>

# Budget Drivers

East Islip UFSD  
2016/17  
Budget Drivers  
Based upon Draft #2

Expenditures by Object	Budget	Budget	2016/17 vs 2015/16		% of Change	% of Increase
	2015/16	2016/17	\$	%		
Personal Services - Instructional	\$ 46,722,927	\$ 47,880,157	\$ 1,157,230	2.48%	1.04%	72.03%
Personal Services – Non Instructional	\$ 11,617,654	\$ 11,844,086	\$ 226,432	1.95%	0.20%	14.09%
Employee Benefits	\$ 28,389,613	\$ 27,887,574	\$ (502,039)	-1.77%	-0.45%	-31.25%
Salaries and Benefits	\$ 86,730,194	\$ 87,611,817	\$ 881,623	1.02%	0.79%	54.87%
Equipment and Capital Outlay	\$ 278,283	\$ 406,072	\$ 127,789	45.92%	0.12%	7.95%
Contractual and Other						
Transportation	\$ 5,184,820	\$ 5,474,111	\$ 289,291	5.58%	0.26%	18.01%
Utilities	\$ 1,513,900	\$ 1,503,150	\$ (10,750)	-0.71%	-0.01%	-0.67%
Other Contractual	\$ 3,115,100	\$ 3,126,236	\$ 11,136	0.36%	0.01%	0.69%
Supplies	\$ 1,124,056	\$ 1,109,984	\$ (14,072)	-1.25%	-0.01%	-0.88%
Tuition (non-BOCES)	\$ 1,072,576	\$ 1,184,252	\$ 111,676	10.41%	0.10%	6.95%
Textbooks	\$ 337,831	\$ 274,311	\$ (63,520)	-18.80%	-0.06%	-3.95%
BOCES	\$ 5,346,138	\$ 5,346,138	\$ -	0.00%	0.00%	0.00%
Debt Service (Principal and Interest)	\$ 6,160,072	\$ 6,444,592	\$ 284,520	4.62%	0.26%	17.71%
Interfund Transfers	\$ 213,488	\$ 202,484	\$ (11,004)	-5.15%	-0.01%	-0.68%
<b>Total Expenditures and Other Uses</b>	<b>\$ 111,076,458</b>	<b>\$ 112,683,147</b>	<b>\$ 1,606,689</b>	<b>1.45%</b>	<b>1.45%</b>	<b>100.00%</b>

Expenditures by Object	% of Total	
	2015/16	2016/17
Salaries and Benefits	78.08%	77.75%
Equipment and Capital Outlay	0.25%	0.36%
Contractual and Other		
Transportation	4.67%	4.86%
Utilities	1.36%	1.33%
Other Contractual	2.80%	2.77%
Supplies	1.01%	0.99%
Tuition (non-BOCES)	0.97%	1.05%
Textbooks	0.30%	0.24%
BOCES	4.81%	4.74%
Debt Service (Principal and Interest)	5.55%	5.72%
Interfund Transfers	0.19%	0.18%
	<u>100.00%</u>	<u>100.00%</u>



# Draft #2

## Expenses vs. Revenue/Reserves

- As you may recall, based upon the first draft of the budget, there was 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 has worked to eliminate the draft budget deficit.
- Updated State Aid figures have been received. The Board of Education and Administration will be working to reduce the reliance on reserves to fund the budget. Any changes will be reflected in the next draft of the budget.

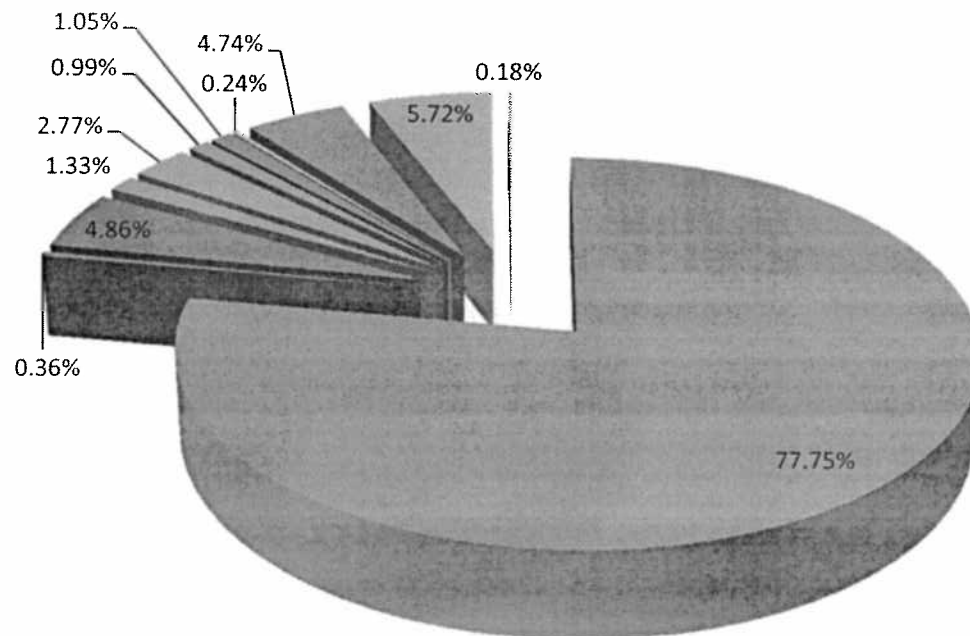
# Budget Changes Reflected in Draft #2

Category	Amount Increase/(Reduction)
Sub Teacher Salaries	(\$32,000)
Benefits	(\$578,373)
Utilities	(\$80,000)
Custodial Supplies	(\$15,000)
Custodial Services (vendor)	(\$8,000)
Transportation	(\$45,000)
TAN Interest	(\$136,090)
<b>Total:</b>	<b>(\$894,463)</b>

# Budget Drivers

## Percent Contribution

Draft #2



- Salaries and Benefits
- Equipment and Capital Outlay
- Contractual and Other
- Transportation
- Utilities
- Other Contractual
- Supplies
- Tuition (non-BOCES)
- Textbooks
- BOCES
- Debt Service (Principal and Interest)
- Interfund Transfers





# Revenue Drivers

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

# 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)

	Factors	\$	%	%
		Change	Change	Contribution
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)			
	\$ (19,759)	\$ (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			
	\$ (7,750)	\$ (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%

# State Aid (Approved NYS)

2016-17 STATE BUDGET

DISTRICT CODE: 580503  
 DISTRICT NAME: East Islip

2015-16 BASE YEAR AIDS:

FOUNDATION AID	\$ 25,430,368
FULL DAY K CONVERSION	\$ -
UNIVERSAL PREKINDERGARTEN	\$ -
BOCES + SPECIAL SERVICES	\$ 1,085,822
HIGH COST EXCESS COST	\$ 737,278
PRIVATE EXCESS COST	\$ 301,110
HARDWARE & TECHNOLOGY	\$ 57,609
SOFTWARE, LIBRARY, TEXTBOOK	\$ 333,159
TRANSPORTATION INCL SUMMER	\$ 2,533,400
OPERATING REORG INCENTIVE	\$ -
CHARTER SCHOOL TRANSITIONAL	\$ -
ACADEMIC ENHANCEMENT	\$ -
HIGH TAX AID	\$ 1,721,431
SUPPLEMENTAL PUB EXCESS COST	\$ -
GAP ELIMINATION ADJUSTMENT	\$ (2,067,687)
BUILDING + BLDG REORG INCENT	\$ 4,680,588
TOTAL (not including UPK)	\$ 34,813,078

2016-17 ESTIMATED AIDS: (State Budget)

FOUNDATION AID	\$25,430,368	\$ -
FULL DAY K CONVERSION	\$ -	\$ -
UNIVERSAL PREKINDERGARTEN	\$ -	\$ -
BOCES + SPECIAL SERVICES	\$ 1,146,512	\$ 60,690
HIGH COST EXCESS COST	\$ 667,096	\$ (70,182)
PRIVATE EXCESS COST	\$ 293,607	\$ (7,503)
HARDWARE & TECHNOLOGY	\$ 55,660	\$ (1,949)
SOFTWARE, LIBRARY, TEXTBOOK	\$ 335,456	\$ 2,297
TRANSPORTATION INCL SUMMER	\$ 2,578,171	\$ 44,771
OPERATING REORG INCENTIVE	\$ -	\$ -
CHARTER SCHOOL TRANSITIONAL	\$ -	\$ -
ACADEMIC ENHANCEMENT	\$ -	\$ -
HIGH TAX AID	\$ 1,721,431	\$ -
SUPPLEMENTAL PUB EXCESS COST	\$ -	\$ -
GAP ELIMINATION ADJUSTMENT*	\$ -	\$ 2,067,687
BUILDING + BLDG REORG INCENT	\$ 4,698,587	\$ 17,999
TOTAL (not including UPK)	\$36,926,888	\$ 2,113,810

\$ CHG 16-17 MINUS 15-16 \$ 2,113,810  
 % CHG TOTAL AID 6.07%

\$ CHG W/O BLDG, REORG BLDG AID \$ 2,095,811  
 % CHG W/O BLDG, REORG BLDG AID 6.96%

UNIVERSAL PRE-KINDERGARTEN (not part of the general fund budget)	\$ 218,268
TOTAL	\$ 35,031,346

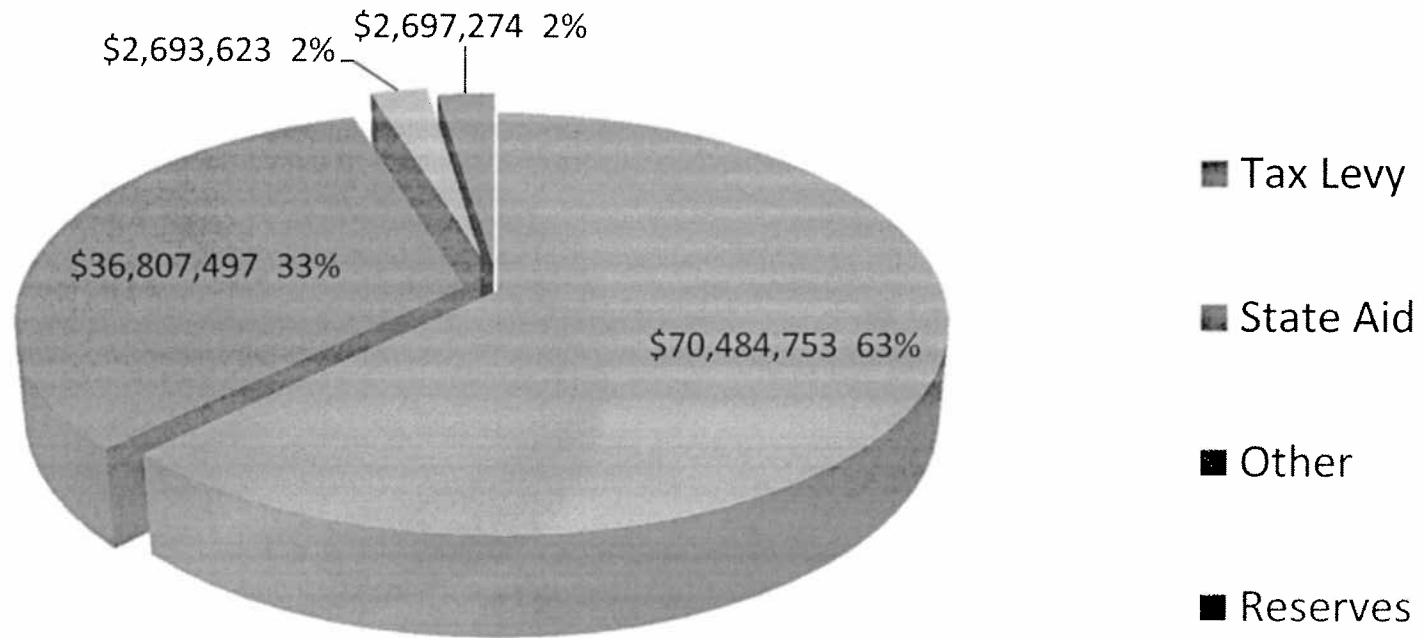
TOTAL	\$ 218,700
TOTAL	\$37,145,588

\* Includes Final GEA payment

# Potential Impact of State Aid Increase

## Revenue Drivers/Reserves

### Percent Contribution



# Tax Levy and Budget (Historical/Draft #2\*)

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%*	\$112,683,147*	\$2,697,274*
5 Yr. Avg.		1.77%		
10 Yr. Avg.		3.03%		



# What is a reserve fund?

- Separate Account to Finance Various District Costs
- Savings Account for a Specific Purpose
- Authorized by:
  - Education Law
  - General Municipal Law



# Capital Reserve Fund

- Authorized by Education Law
- To cover, in whole or in part, the cost of any object or purpose for which a school district may issue bonds.
- Established only with **voter approval**
  - Purpose of the fund
  - The ultimate amount
  - Probable term
  - Source of funds
- Funds may be only expended with **voter approval** for a specific purpose for which the fund was established.
- Accounted for in a separate checking account.

# Operating Surplus

Expenses



Revenues

Reserves







# 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
April 7 <sup>th</sup>	7:00 p.m.	Budget Workshop	BOE Response to BAC
April 21 <sup>st</sup>	8:00 p.m.	BOE	Budget Adoption
May 10 <sup>th</sup>	8:00 p.m.	BOE	Business/Budget Hearing
May 17 <sup>th</sup>	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 21<sup>st</sup> 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 from the Board of Education