Budget Advisory Team
Meeting Minutes

March 16, 2016

Present: Sandy Anzalone, Thomas Murphy, Michael Byrnes, Michael Breeden, Loran Carter, Jack Cuddihy, Jennifer Horschel, Shawn Johnson, Kathy Klopp, Patty Krouse, Lucinda Karstedt, David Martin, Paul Shephard, Donald Sutfin

Next meeting: Tuesday, April 5, 2016, 5:45 p.m., Jr./Sr. High School Cafeteria
Wednesday, April 13, 2016, 6:00 p.m., Jr./Sr. High School Cafeteria, if necessary

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I. Called to Order 5:52 p.m.

II. Budget Advisory Team Meeting

A. Thomas Murphy announced that the topic for the meeting would be Draft 3 of the Budget

B. Draft 3 – Where we are today – Thomas Murphy & Sandra Anzalone

- Based on the estimate of state funding and taxes, we are short about $1,921,755. Spending is going up. Revenues are up, but not as much as spending. The deficit keeps growing. The projected tax increase is .93%. The district must get more revenue from taxes or use our reserves. Once we are out of reserves, the taxpayer will not be able to foot the bill – estimated at just under $6 million by 2020-2021. If the tax cap goes into a negative number, we still have to show what it should be, even if it ends up at 2%. The equalization rate hurt Boston taxpayers.
- Reserve Balance – Mr. Murphy – By 2019-2020 or 2020-2021, all reserves are projected to be gone in our model. We cannot predict what might be left over to go back into reserves years ahead of time.
- Fund Balance and Reserves – Revenues are lower, spending is about the same. In the end, if we budget and spend less, there won't be as much to roll over. For 2019-2020 we expect about $4.7 million in debt. We are not on the list of fiscally stressed schools. Our deficit is growing, so every year we make tough decisions. This is reversible if we lower our spending. At some point in a declining enrollment, you have to look at staffing. Mr. Shephard stated that we still need help from the State. Mr. Murphy said he heard that we will get GEA back. He is also hoping there will be an increase in Foundation Aid. Senator Gallivan told us that the GEA would go away this year and talked about Foundation Aid.
- Mrs. Anzalone said that Bob Lowry from NYSCOSS reported that the Assembly proposed a school aid increase of $2.12 million. The Senate proposed an increase of $1.655 million Both houses would end the GEA. The Assembly would increase Foundation Aid by $1.1 billion, and the Senate would increase it by $880 million. The Senate is coming in consistently lower in all aid. The Governor recommends increasing Foundation Aid by $266 million. The Community Schools Aid of $100 million doesn't do anything for us. The State would eliminate the formula that provides one its components to the Foundation Aid. No district would receive less in Financial Aid than it would have received under the Governor's budget in combination of Foundation Aid for schools. The Assembly would double the Governor's proposed amount to $200 million and add some other restored aid. Both houses would increase aidable salary ceilings for BOCES aid from $30,000 to $34,000. Neither house proposed any moderation of the property tax cap. Both houses are close to providing a total $1.7 billion aid increase that the Educational Conference Board estimated would be needed to allow school districts to maintain current services. The total increase would exclude community schools aid and other smaller categorical initiatives. Smaller categorical initiatives are important to us. A concern is that in negotiating a final budget with the Governor, they may negotiate down, which would complicate achieving goals, such as

ending the GEA and providing adequate Foundation Aid to districts only minimally aided by GEA restoration.

- Mr. Murphy said we expect to have the combined senate/assembly budget by March 31st. Mr. Sutfin asked what the cost per student was estimated to be in 2019-2020. Right now it is roughly $19,000, but it is estimated to be $25,000 by 2019-2020, which is a 30% increase. Mrs. Anzalone responded that the fewer students we have, the more expensive it becomes to educate every child. Bigger districts would not feel this. Mr. Shephard said that because so many districts are already in stress or will get there, something must be done. This Governor does want certain things to happen, but we really need to energize as many people as we can to get people to town meetings and planning/zoning meetings, the ones that are hampering any kind of expansion. They don't understand that people aren't having 11 kids. Mrs. Anzalone said that people are having children later in life now. Projections show in the next six years, we will start to see an increase. Mr. Breeden said North Collins enrollment is down also. Mr. Shephard said that North Collins has more industry than Eden. Mr. Murphy believes that at some point, there will be a tipping point, whereby the schools left standing will be the ones with savings.
- Mrs. Anzalone addressed class sizes. She asked the Board what they believed was a guideline to move forward. Research shows smaller class size is better in elementary schools. Some upper level classes can go as high as 33 kids in an AP class. Students need to adapt to learn in a large environment.
- Budget Recap 2015-2016 – Last year spending was $26,994,111, which was an increase of $597,631 or 2.26%. The tax levy was an increase of 2.21%, as was the tax cap. The change in the consumer price index was 1.62%. The tax levy last year was $13,571,363.
- The tax levy for next year is $13,697,708, an increase of $126,213, or .93%. Our revenues are going down .54%.
- Appropriations – Last year, we were at $26,994,111. For 2016-2017, it is proposed at $27,566,185, an increase of $572,074 or 2.12%. Our revenues are flat.
- Budget neutral adjustments for 2016-2017 are a new mobile device management system, a BOCES shared district data coordinator (34 days), new BOCES E-Rate, increase in Social Worker from four days to five days, Technology teacher increase of .17, which is possible because of a partial grant and the elimination of one P-Tech spot, planned loss of a 4th grade class and associated specials because of enrollment, and Academic Intervention Services increase of .5 FTE.
- Proposed budget reductions include freezing supplies at 2015-2016 levels, elimination of one P-Tech spot, NYSSBA conference decrease, BOCES risk management service, reduction of .17 FTE FACS teacher, loss of a 6th grade class and associated specials, elimination of .47 FTE computer teacher (K-2), which will be picked up by our other Business teachers, reduction of .5 FTE orchestra teacher – this is not a loss of program, but rather how it will be delivered, IT planned expenditure decrease, and the reduction of a Special Education teacher from .67 to .50 FTE.
- Appropriations vs. Revenue – The 2016-2017 appropriation budget is $27,566,185. The 2016-2017 revenue budget is $26,053,112. The difference is $1,513,072 deficit. On March 12th, we were at $1,616,587 deficit. We still had $39,542 to take out for supplies. We increased revenue by $243,000 for the GEA and could use fund balance of $1,253,183.
- Year to Year Fund Balance – Last year we started out using $1.1 million of fund balance. New York State increased our aid by $616,691. We actually took $687,308 from fund balance. For 2016-2017, with the given parameters, unless we change anything, that will grow to $1,252,827. Our unappropriated fund balance is currently at 3%. If there is any money left over this year, we would like to bring that back up to 4%. Mr. Martin added that buildings are aging, and things are breaking. Next year's budget is very tight.
- Mr. Murphy's opinion, as Director of Finance, is that he would not advocate using all of the fund balance. If we can lower our dependence on reserves of $1,252,827 by lowering our insurance increase by $150,000, decreasing the money budgeted for i-Pads in the amount of $47,000 by using SMART Schools money, increasing Foundation Aid by $50,000, and additional staff savings of $29,770.00, we would have a net reserve (fund balance) to use of $976,057.98, if the Board of Education accepts all the recommendations.

C. Questions/Comments

- Mrs. Klopp asked for an explanation of money saved through staff decreases. Mrs. Anzalone explained that a new teacher with benefits is about $67,000. If they teach six courses, divide the $67,000 by 6 to figure out how much a section costs.
- Mrs. Klopp said thank you for giving them the shout out to be politically active. They need to get something bigger rolling. We don't want departments in K-12 against one another. Students cannot be involved, but parents must participate. Mrs. Anzalone said you could involve students, just not during instructional time. Mrs. Klopp said, in the end, you will be listening to the parents for what programs they want, but how do we open up doors and windows to get the parents, because most won't react until something is cut. How can we publicize? There are parents who would be very involved. Mrs. Anzalone said the District Shared Decision Making Team was an overriding body for what programs were offered. They are focused to work with their constituent buildings. Mrs. Horschel suggested more discussion with Mrs. Anzalone and the Board of Education on the global budget as a whole, and how it impacts the community. She has ideas of how to put the word out there. Mr. Shephard said we need to address the people who control the funding. We need to send a message to the people hampering growth and money. Mrs. Klopp suggested the PTA. Mrs. Horschel said many people think everything is OK until something is gone. People need to be alerted. We could be facing a State takeover and a loss of control. Mrs. Klopp agreed and said that we need to get after the politicians. Mr. Murphy said tough choices need to be made to close the deficit. Days of surpluses are gone. We need to come together to find the best way. Everyone present knows that.

III. Meeting Adjourned at 7:00 p.m.