


Budget Community Forum

Summary

March 12, 2016


Present: Sandy Anzalone, Thomas Murphy, Dan Braunscheidel, Jeff Cervoni, Jack Cuddihy, Marisa Fallacaro, Marc Graff, Jennifer Horschel, Kathy Klopp, Kelly LaRosa, David Martin, Pat Menkiena, Paul Shephard, Donald Sutfin

I. Community Forum Presentation began at 10:02 a.m. –


 Mr. Thomas Murphy stated that there is a loss of \$678,755 in State Aid from the Governor's budget for 2016-2017 and a loss of \$243,000 from the Gap Elimination Adjustment. The total shortfall from New York State is \$921,755. The Governor's budget, which came out in January is the worst case scenario. The Assembly and the Senate have said that they want to eliminate the GEA this year. Even if it is fully funded, Eden still faces a \$1 million shortfall. The Senate and the Assembly should have their budgets ready by March 31st, but the numbers will still change.


II. Projections

A. Appropriations - Spending


 Long range planning from 2011 through 2021 shows spending increasing from \$22 million to almost \$34 million. Increases are due to many things, including contracts, healthcare insurance, etc.


B. Revenues

 The revenue projections are flatter. We are spending more than we are receiving, which translates to a deficit, if we stay on the same course.


 In 2011, the revenues were just over \$26 million, by 2021, they are projected to be just over \$27.5 million.

C. Deficit Trend


 If nothing changes, the deficit is projected to grow from \$1.6 million to almost \$6 million by the year 2021. This projection would include no staffing changes or reductions.

 If the Board of Education adopted the budget today, the gap would be \$1.6 million. Mr. Murphy stated that the budget cannot be adopted with a deficit. It is against the law.


D. Long-Term Financial Plan Deficit

 The tax cap is said to be 2% or the CPI (consumer price index), whichever is less. Additional real property taxes (or assigned appropriation fund balance) are required to meet this deficit. There is a 2% tax cap, but it is not really 2%. The formula used to calculate the cap is complex. Our tax cap for 2016-2017 is .93%. This equates to \$126,215. Next year's budget is about \$27 million. Taxpayers will pay about half the budget.


E. Reserve Balances

 The district has multiple savings accounts; but some are restricted for special purposes. In 2014-2015, there was \$8,449,490 in reserves. The capital reserve fund includes \$1.9 million of that amount. There is money in retirement reserves and unemployment reserves that cannot be used for any other purpose. If we do not make any changes, projections show that we will lose our savings by 2018-2019. In 2019-2020, we project a shortage of \$4.6 million. We are spending more than we can sustain. Changes must be made.


E. Reserves Use

 To close the \$1.6 million budget gap for 2016-2017, if we did nothing else, we would have to use almost the entire amount of our reserves. The Governor is forcing districts to do things differently by withholding money for schools. Eden is not in a unique position. Mrs. Anzalone added that some districts have higher reserve levels than others, so they are not in as much fiscal stress. Mr. Murphy stated that we have not seen projections out for the next five years for other districts. At the end of each year, we usually put money back into reserves, but we are taking more out than we are putting back in. We have tightened up spending. For the past few years, at the end of the year, we have had less left over. We have been budgeting closer to what our actual needs are.


F. Enrollment Projections

 Expenses and staffing are up, but enrollment is down. The 2015-2016 enrollment was 1,404 students. By 2019-2020, it is projected to be at 1,256. In 2013, we had about 120 sixth graders. That number is decreasing. The incoming Kindergarten class is about 78. We have a planned cut of a fourth grade classroom, which will not change the classroom size. Second, third, and fourth grades will all have four classrooms. We cannot offer all that we have offered in languages, electives, and sports. We need to offer what kids and parents want. We are looking at non-resident tuition. We need to be creative and strategic with our offerings.

G. Average Class Size at Primary and Elementary Levels





 The average class size for Kindergarten is 19-20, for first and second grade it is about 20, and for Eden Elementary it is 20-24.

H. Budget 2015-2016 Recap


 The 2015-2016 budget amount was \$26,994,111. The spending increase was 2.26% or \$597,631 over 2014-2015. The tax levy increase was 2.21%, which was also the tax cap. The change in the CPI was 1.62%.

III. 2016-2017 Budget Status and Challenges – Draft II



A. Revenues

-  The tax cap limit – prior year tax levy was \$13,571,363.
-  The 2016-2017 tax cap limit is .93%. The district's "maximum allowable levy" is \$13,697,708.
-  The 2016-2017 tax levy is \$13,697,577, the 2015-2016 tax levy was \$13,571,363, a year to year difference of \$126,213 or .93%.
-  The 2016-2017 revenue budget is \$26,053,112.33. The 2015-2016 budget is \$26,193,765. The year-to-year difference is \$140,652.67 or a percentage difference of -.54%

B. Appropriations



 The 2016-2017 appropriation budget is \$27,669,694. The 2015-2016 approved budget is \$26,994,111. The year-to-year difference is \$675,583 or 2.5%.

C. Adjustments (Budget Neutral)


-  Proposed budget neutral changes include a new mobile device management system, new BOCES shared district data coordinator, new BOCES E-Rate, Social Worker increase from 4 to 5 days per week, Technology Teacher increase .17, planned loss of a fourth grade class and associated specials (Art, Music, P.E., Library, Computer), Academic Intervention Services (AIS) increase .5 FTE. We need to look at what needs to be done to move forward. Things change. Demographics change. Regulations and unfunded mandates with no money to implement them cost the district.
-  Proposed budget reductions include freezing supplies at 2015-2016 levels, one planned P-Tech slot, a decrease in NYSSBA conference attendance, BOCES risk management service, .17 FTE FACS teacher, loss of a sixth grade class and associated specials if necessary (Art,

Music, P.E., Library, Computer), Computer Teacher .47, Orchestra Teacher .5 FTE, IT planned expenditure decrease, Special Education Teacher .67 to .50.


D. Appropriations vs. Revenues

-  The 2016-2017 Appropriation budget is \$27,669,694. The 2016-2017 Revenue budget is \$26,053,112.33. The difference is \$1,616,581.67.
-  We have been able to manage by cutting little by little each year, but something can only be cut once. In 2013, there was a plan to spend all of the savings. We cannot spend all of our savings. We cannot go broke.




E. Closing the Gap

-  Our budget gap is \$1,616,587.97. All supply lines could be held to last year's level for a decrease of \$39,542. We expect more money from the State in GEA, possibly \$243,000. It is not a guarantee, but it looks pretty good. The only other area we have to take from is \$1.2 million from savings. It is an easy solution, but the problem is we would go broke in 2019-2020.


F. Fund Balance Year-to-Year


-  The proposed budget reserves / fund balance use for 2015-2016 was \$1,100,000. With the addition of \$616,691 in state aid on March 31, the actual budget reserves/fund balance the district committed to use for 2015-2016 is \$687,308. For 2016-2017, using the proposed budget reserves / fund balance of \$1,292,726, puts us on pace to go broke. With the addition of more state aid on March 31 – possibly from GEA and Foundation Aid, the impact would be a little less. Mrs. Anzalone stated that we are required to figure this out without a clue as to what we are getting from the State. Mr. Murphy said our tax cap amount of .93 is due to the State by March 1st. He suggested that we work together to close the gap and urged people to contact the Governor and representatives to fully restore aid to the district. Contact the Governor, Legislators and Assemblymen in September, October and/or November – prior to them doing their budgets. Governor Andrew Cuomo – twitter @NYGovCuomo; e-mail Gov.Cuomo@Chamber.state.ny.us; Assemblyman David DiPietro 655-0951 (phone) or 655-0970 (fax) DiPietroD@assembly.state.ny.us; Senator Patrick Gallivan 656-8544 (phone) or 656-8961 (fax) gallivant@nysenate.gov.


G. Community Forum Ideas (Think Out-of-the-Box)


-  All ideas will be recorded. We are looking for all constructive ideas. Think about ideas not related to staff or ideas related to student programs. Think long-term solutions vs. a one-time quick fix. Ideas can be dropped off in an envelope at the office.
-  Karen Hall – Have you looked at enrollment numbers across all the classes in each of the schools? Mrs. Anzalone responded that as the cohorts get smaller, especially with the high school schedule, an elective may only be offered one time, and 30% of the students will not be able to get in. Sometimes, reductions happen after the fact. We share teachers with the Elementary and GLP. Each time a cut is made, there is a chance that a teacher will have to travel to another building. In the summer, we start to look at what programs people want for the following year. We offer multiple electives in Art, Technology, English, Social Studies and sports too. We are not going to be able to continue to do it. Marisa Fallacaro has already started looking at a 7-8-9 sports program. It saves a tier. We are looking at offering two classes at the same time, for example in Art. Distance Learning is something we can consider once our Technology is upgraded.
-  Dan Braunscheidel – These are good ideas, but small ideas, compared to the way the government has decided to handle public education. We can make changes, but at the end of the day, where are we in five or ten years? There has been talk about combining North Collins and Eden forever. The danger in this is that this is not where this is going. I think what the community has to understand is what do they really want? Are you then going to become politically active? No one is mandating me to have to do something in my house that I don't want to do. It is incumbent upon every community member to ask what they want. No one wants to pay higher taxes, but are we going to be a progressive country or state with the way we handle our schools? When I say progressive, I mean everybody chips


in. Or are we going to become parochial to our own household? I don't know who can promote this. I write all the time. I talk to people all the time. Every election truly is local. Let them know clearly what you want, and if they don't support you that you won't vote for them. We need to do this. It is important for this year. I don't know how to get this conversation going. But I think there is a bigger plan involved here. We seem to have plenty of money to give to businesses that are selling things to schools – that's taxpayer money being used for things like state assessments. The question is what do we want to do with our kids' educations? I think if we start locally and community-wide, we can expand that.


 Mrs. Anzalone – The newest commercials coming out - the number one thing from New York State government is that New York State has the lowest taxes in years, as a result of the tax cap. New York State government is not a public education advocate. It is a private, charter, community school advocate. Public education will change. We have a population decline in New York State. We have an older population with a static income. All these factors together indicate that we have to do things differently. The local taxpayers cannot continue to fund the share we are at.


 Mr. Murphy thanked Mr. Braunscheidel for joining the Budget Advisory Team this year. The BAT is made up of community members, parents, and staff. He made the comment, what can one man do. Maybe next year, go with us to speak with Senator Gallivan, so he gets perspective of the people in this community and what is important to us.

 Denise Kuster questioned if there would be two band teachers, one at the Elementary and one at the high school and one orchestra teacher between all the grades. She asked if the K-3rd graders had been talked to in order to see if they were interested in orchestra. She didn't understand why we had two teachers for one program and then we go down to one for all the kids who want to take a string instrument. Mrs. Anzalone said we are trying to save both the orchestra and the band. We have a low enrollment of students coming up – about 79-83. Our focus is to be creative with the orchestra program with a 4-12 rather than a 6-12. The schedule is not done yet. We may be looking at the same thing with many of our programs, such as sports and art. Ms. Kuster asked if we were looking to cut orchestra at the 4th and 5th grade level. Mrs. Anzalone said it was our hope to run a 4-12 string program. We want the parents to tell us what they want. Mrs. Kuster stated that we don't want to lose all our extracurricular activities, or people won't want to live here. Mrs. Anzalone agreed.

 Mrs. Anzalone said that for next year, we have taken out everything we can. There is nothing else we can cut but staff. It is because of enrollment. Mr. Murphy asked, as we look at deficits, what is the best way to close the gap? Mrs. Anzalone stated it wasn't just the gap, it is enrollment. North Collins can offer many programs, because they have the money, but they don't have the kids. We are looking at a transportation summit with Orchard Park, West Seneca, Frontier, Eden, and Lake Shore to see if there are ways we can share buses going to the same places. Mr. Murphy said we focus mostly on the spending side of the budget. Our revenue sources are not increasing. The only way to deal with it is to decrease expenditures. Whatever cuts we make, we will hear about it. It won't be easy. None of the options will be good.

 Mrs. Anzalone said that each year that we have fewer students; we get less money from New York State. We will be asking people to get together this summer and fall for brainstorming as we move forward. In the fall, we would have one of these types of forums. Perhaps we should do a rally in the fall. Everyone is doing one now, but it is too late now. Mr. Murphy said there is a Question and Answer section on the Business Office page with a link from the home page.

 Denise Kuster asked if extracurricular activities and clubs were whittled down, could that money be used to prevent academic programs from being cut. Mr. Murphy said the positions referred to were not cut, but just unfunded, due to contractual reasons.

 Denise Uhlman said the orchestra enrollment has not decreased, despite the school enrollment. Mr. Murphy said overall in terms of state aid, we get less each year, because of declining enrollment. As it declines, it has huge implications. Mrs. Uhlman said it is hard to justify cutting a program that is sustaining or growing to take care of other programs that may not be growing. Mr. Murphy said that is why we are doing this – taking comments, answering questions.

- 🌈 Mrs. Horschel said this is a very depressing situation. She cannot stress enough the importance of everyone's voice. Even if you send a quick e-mail on how cuts impact you, write your Senator and Assemblyman. They seem open to public education. The Governor has taken some changes in his thought process about public education, i.e. teacher evaluations. If he hears enough outcry, he may start to hear the cry of the people. Public education is an important entity. Encourage your friends and neighbors to contact public officials via Twitter, E-mail, writing, or calling. Their staffers will look at it. Mr. Murphy said the rallies do have an impact. It is not a bad idea to have them in November or December, before financial decisions are made. Mrs. Anzalone said the model being created by State Government is more private. If you want music or sports, start a booster club.
- 🌈 Dan Braunscheidel said there are people who will benefit well from these changes. It is not just about a reform or cutting back. This is about individuals and groups of individuals who have a massive stake in these changes. If it isn't what we want, influence does occur. Take advantage of your ability as a person who can vote, and talk to these people. You need to tell people and be active. If we speak up, it can make a difference. You have to take action.
- 🌈 Mr. Murphy said for the budget process, the Board needs to adopt a budget no later than April 22nd. If you have any thoughts, ideas, suggestions, go to the web-site and e-mail him. The community will come up with solutions, not just a small group of people.

IV. The Community Forum ended at 11:30 a.m.