

# HARPURSVILLE CENTRAL SCHOOL



Budget Presentation  
for  
2016-2017  
March 21, 2016

# Budget Topics

- Anticipated 15-16 Performance
- Budget Goals
- Projected Revenues
- State Aid
- Projected Expenditures
- Budget Gap
- Next Steps

# 2015-16 Original Budget

Original  
Revenue

\$17,495,330

Original  
Expenditures

\$18,298,945

Structural  
Deficit

(\$803,615)

# 2015-16 Projected Actual Performance

Projected  
Revenue

\$18,265,758

Projected  
Expenditures

\$19,945,695

Structural  
Deficit

(\$1,679,938)

# 2015-16 Budget Gap

	Proposed Budget	Carryover Encumbrances	Adjusted Original Budget	Budget Gap	Final Budget
2015-2016	\$18,298,945	\$ -0-	\$18,298,945	\$1,646,750	\$19,945,695

This is based on current projection and will change (up or down) between now and year end.

# 2015-16 Fund Balance

	Actual 7/1/2015	Projected 7/1/2016
Non-Frozen Reserves	\$1,819,113	\$1,602,113
Frozen Reserves - EBALR	\$1,417,113	\$1,397,035
Assigned Appropriated Fund Balance	\$ 803,615	\$ 700,000
Unassigned Fund Balance	\$1,982,553	\$643,308
TOTAL FUND BALANCE	\$6,022,394	\$4,342,456

The unassigned fund balance is projected to be LESS  
THAN 4% of 2016-17 proposed budget!

# 2016-2017 Budget Development

# BUDGET GOALS

- Provide an instructional program that meets the educational needs of all students and ensures all students are prepared for their future.
- To eliminate the structural deficit in the budget.
- Develop a budget that puts the district on a path to fiscal health and stability while maintaining our responsibility to the district residents and providing our students with a sound education.



# PROJECTED REVENUES

- Projected Revenues were developed using
  - Tax Levy Limit Calculation
  - Analysis of Executive Proposal of State Aid
  - Historical trends for Other Revenues

# PROJECTED REVENUES

REVENUE	2015-2016 ORIGINAL BUDGET	2016-2017 DRAFT BUDGET	% INCREASE BUDGET TO BUDGET	\$ INCREASE BUDGET TO BUDGET
TAX LEVY	3,744,285	3,857,206	3.02%	112,921
OTHER REVENUE	736,000	1,225,909	66.56%	489,909
STATE AID	13,015,045	14,179,822	8.95%	1,164,777
APPROPRIATED RESERVES	-	247,000	0.00%	247,000
APPROPRIATED FUND BALANCE	803,615	700,000	-12.89%	(103,615)
<b>TOTAL REVENUE BUDGET</b>	<b>18,298,945</b>	<b>20,209,937</b>	<b>10.44%</b>	<b>1,910,992</b>

1% change to the tax levy = \$37,443

We are waiting to see final state aid runs once the State's budget is approved. The Senate and Assembly have proposals that would increase the Governor's aid proposal.

# What is the “cost” of a 3.02% increase on the tax levy?

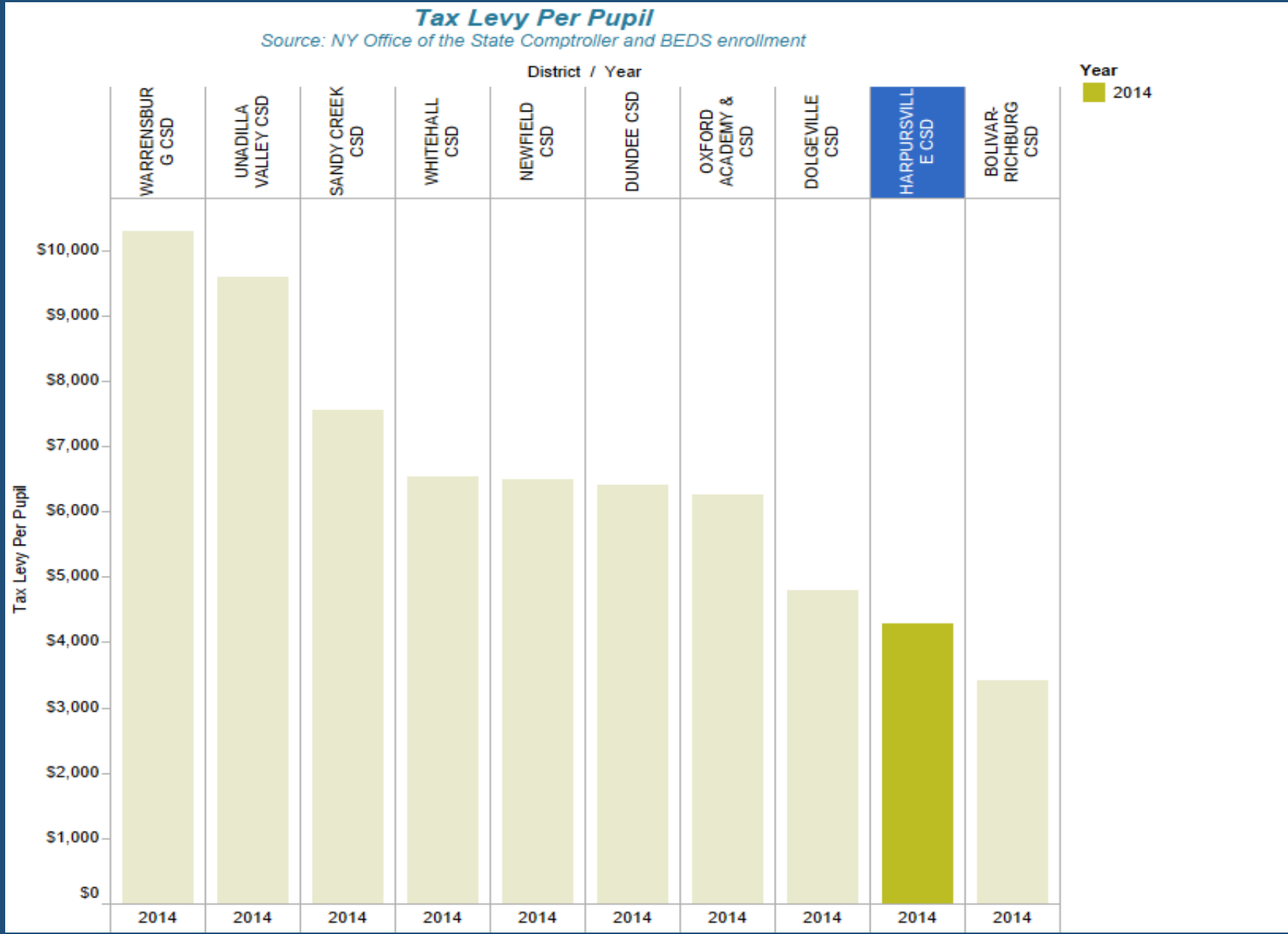
	True Value Tax Rate	Yearly Difference
2016-17	\$14.7933	\$ 0.43
2015-16	\$14.3602	\$0.37
2014-15	\$13.9901	\$0.33 *
2013-14	\$13.6590	\$0.29 *
2012-13	\$13.3681	\$0.59 ^
2011-12	\$12.7743	\$(0.08)
2010-11	\$12.8546	\$0.28
2009-10	\$12.5779	\$(1.51)
2008-09	\$14.0870	\$(0.46)

On a \$50,000 home, the increase in cost given the proposed tax levy is about \$21.65. *(estimated using last year's figures – equalization rates, assessed values, etc.)*

The 2012-13 school year was the first year of the tax cap. The district had a 2% increase on the levy that year which was greater than the allowable limit. The increase in the levy was less than the allowable limit in both the 2013-14 and 2014-15 school years. The levy was at the allowable limit in 2015-16.

# “Similar Schools\*” – Tax Levy Comparison

\*defined by enrollment and low income %



# PROJECTED REVENUES

- Appropriated Reserves is the planned use of the:
  - Retirement Contribution Reserve
  - Unemployment Insurance Reserve
- Appropriated Fund Balance
  - Long term goal is to reduce the use of fund balance to support the budget – eliminate structural imbalance

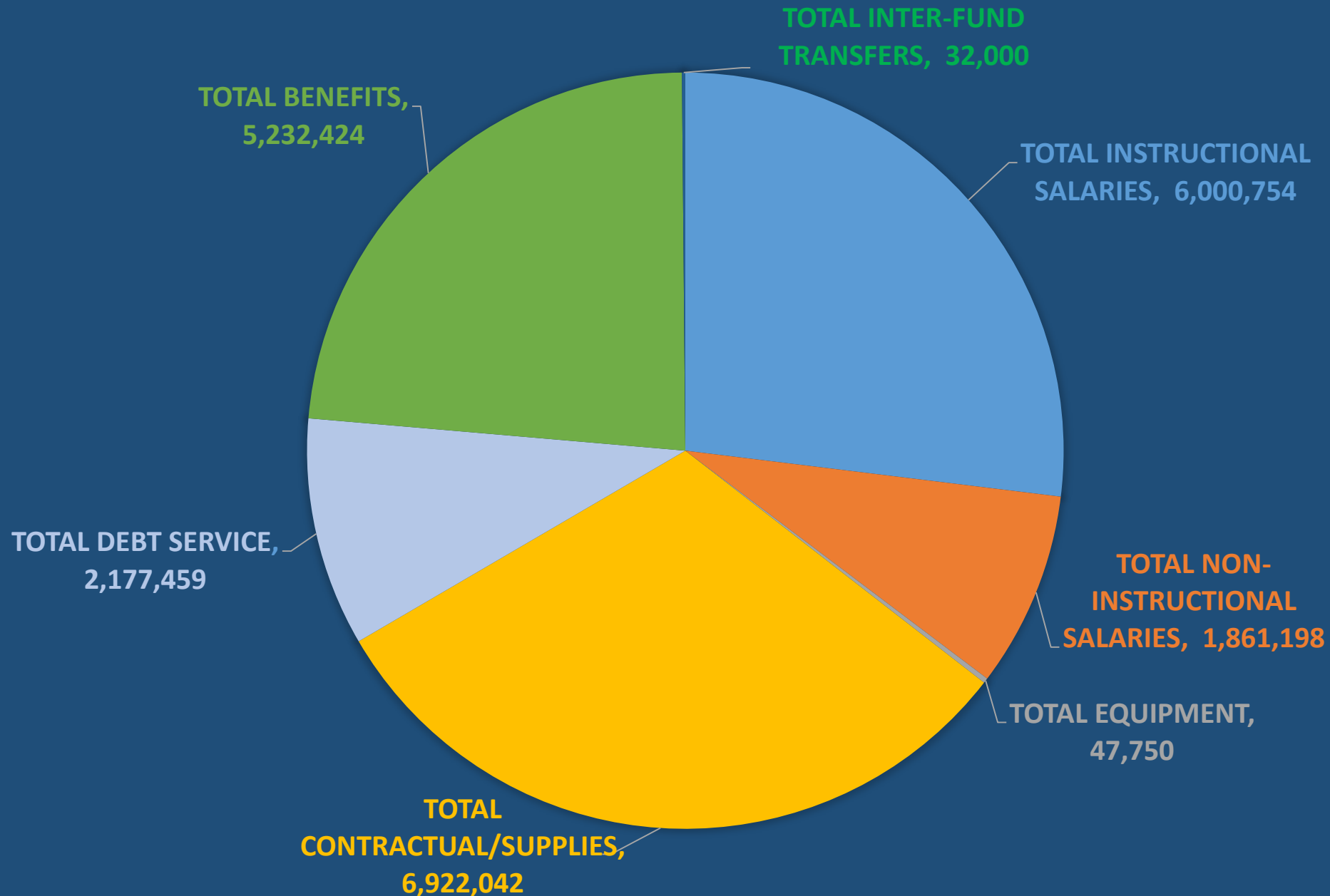
# PROJECTED EXPENDITURES

- Projected Expenditures were developed using
  - Current staff of record
  - Historical and market trends
  - Known benefit rate changes
  - Known contractual costs
  - Known debt service payments
  - Estimated BOCES services based on 2015-16 projected expenditures

# PROJECTED EXPENDITURES

EXPENDITURES	2015-2016 ORIGINAL BUDGET	2016-2017 DRAFT BUDGET	% INCREASE BUDGET TO BUDGET	\$ INCREASE BUDGET TO BUDGET
INSTRUCTIONAL SALARIES	5,773,173	<b>6,000,754</b>	3.94%	227,582
NON-INSTRUCTIONAL SALARIES	1,566,047	<b>1,861,198</b>	18.85%	295,151
EQUIPMENT	76,563	<b>47,750</b>	-37.63%	(28,813)
CONTRACTUAL EXPENSES	1,150,288	<b>1,528,583</b>	32.89%	378,295
MATERIALS AND SUPPLIES	492,085	<b>504,557</b>	2.53%	12,472
BOCES	3,187,437	<b>4,888,902</b>	53.38%	1,701,465
DEBT SERVICE	1,183,791	<b>2,177,459</b>	83.94%	993,668
BENEFITS	4,869,562	<b>5,232,424</b>	7.45%	362,862
TRANSFERS	-	<b>32,000</b>	100.00%	32,000
<b>TOTAL</b>	<b>18,298,945</b>	<b>22,273,627</b>	<b>21.72%</b>	<b>3,974,682</b>

# PROJECTED EXPENDITURES

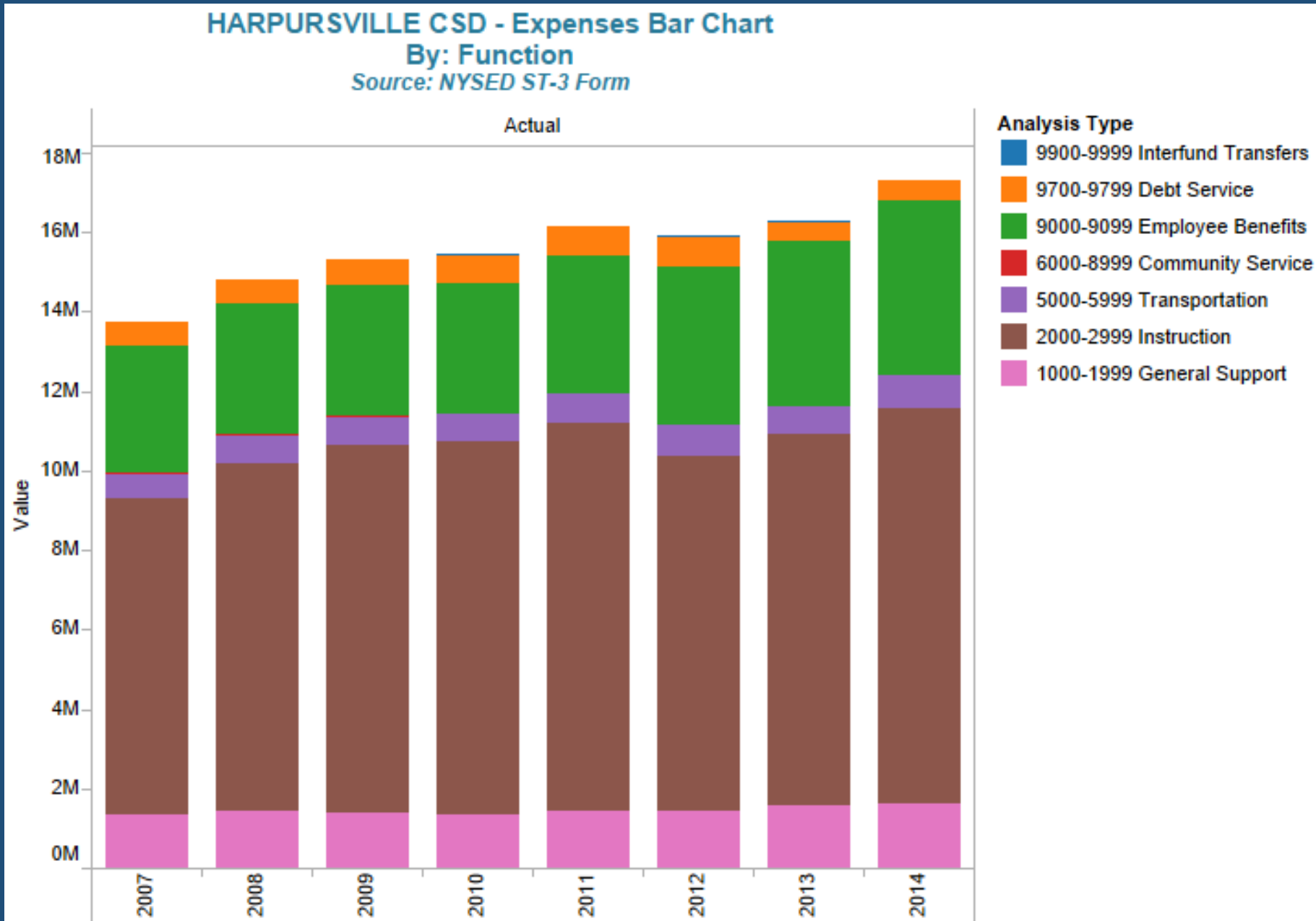




## *Summary...*

Revenues	Expenditures	Budget Gap
\$20,209,937	\$22,273,627	\$2,063,690

# A historical look at expense growth...



A few notes from graph:

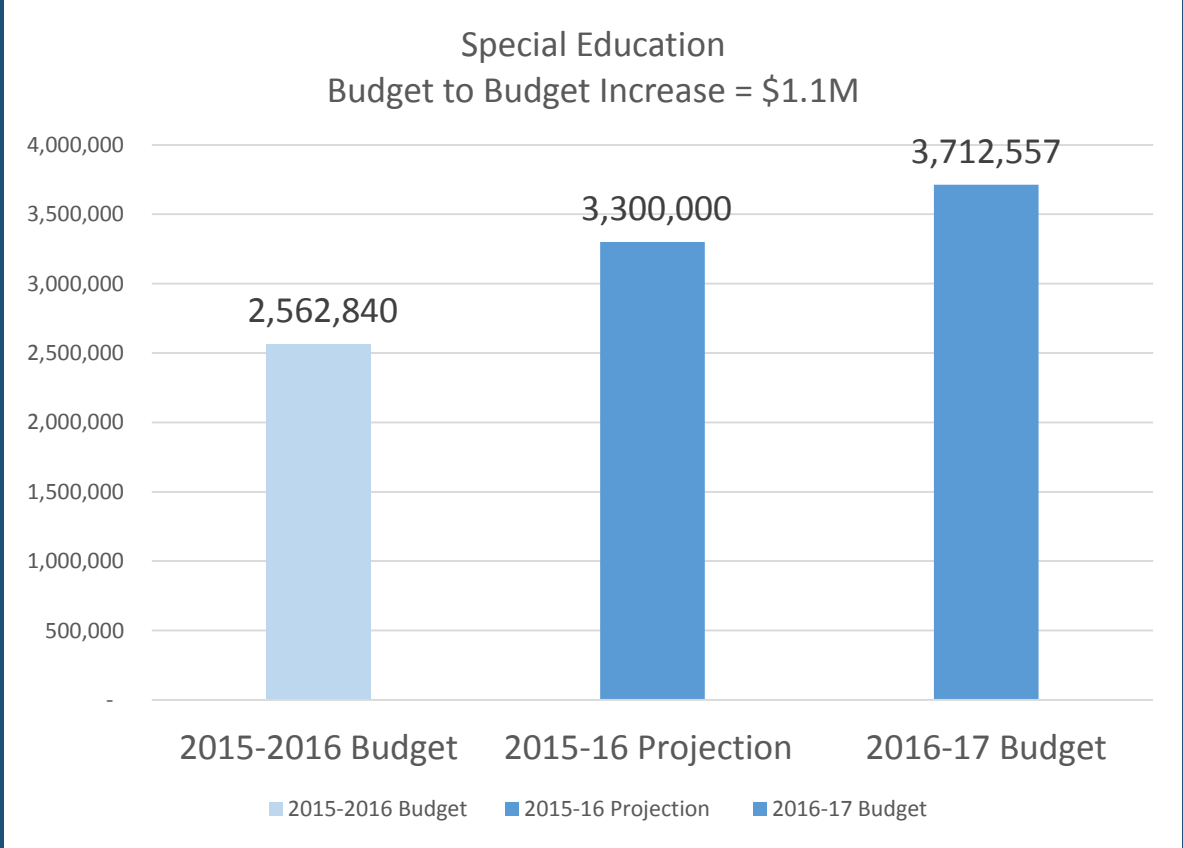
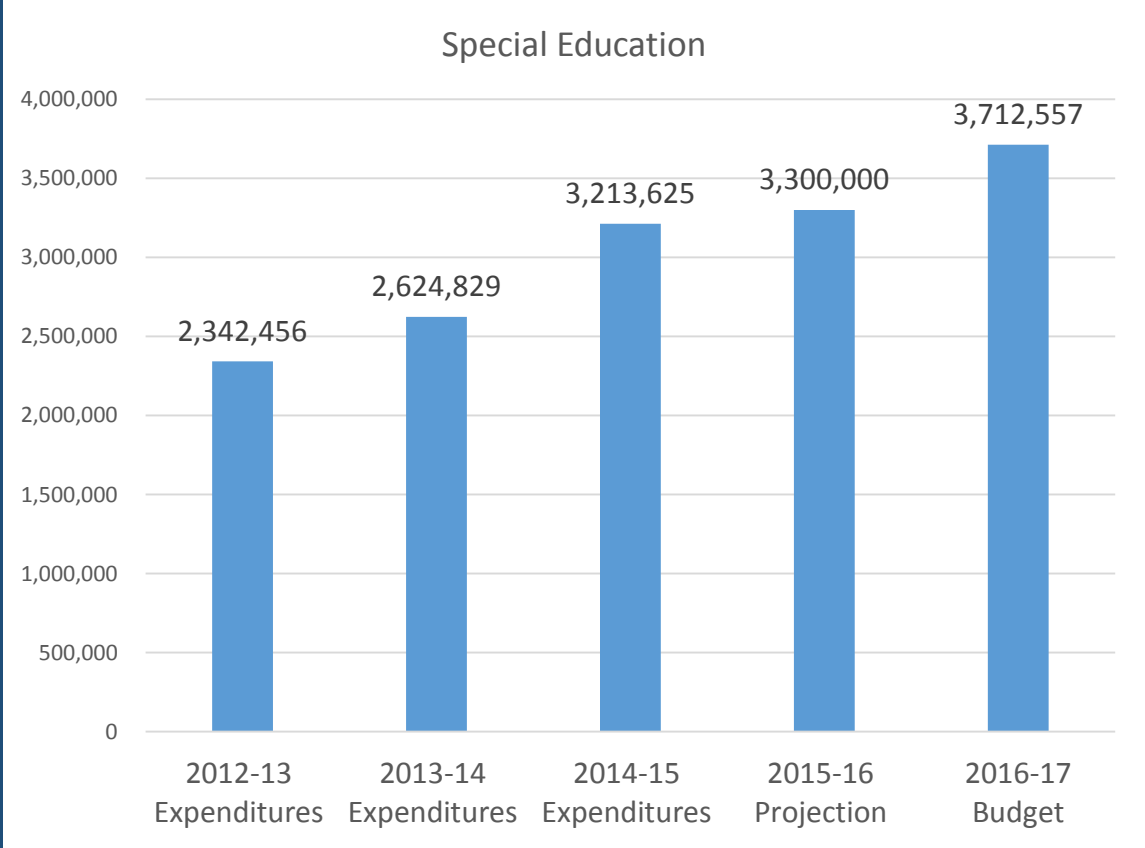
- General Support  
2007: \$1.325 M  
2014: \$1.638 M
- Instruction  
2007: \$7.964 M  
2014: \$9.942 M
- Employee Benefits  
2007: \$3.189 M  
2014: \$4.408 M

# SIGNIFICANT BUDGET DRIVERS

The budget to budget increase in expenditures is \$3,974,682.

Over 50% of this increase is related to special education and debt service.

# SIGNIFICANT BUDGET DRIVERS: SPECIAL EDUCATION



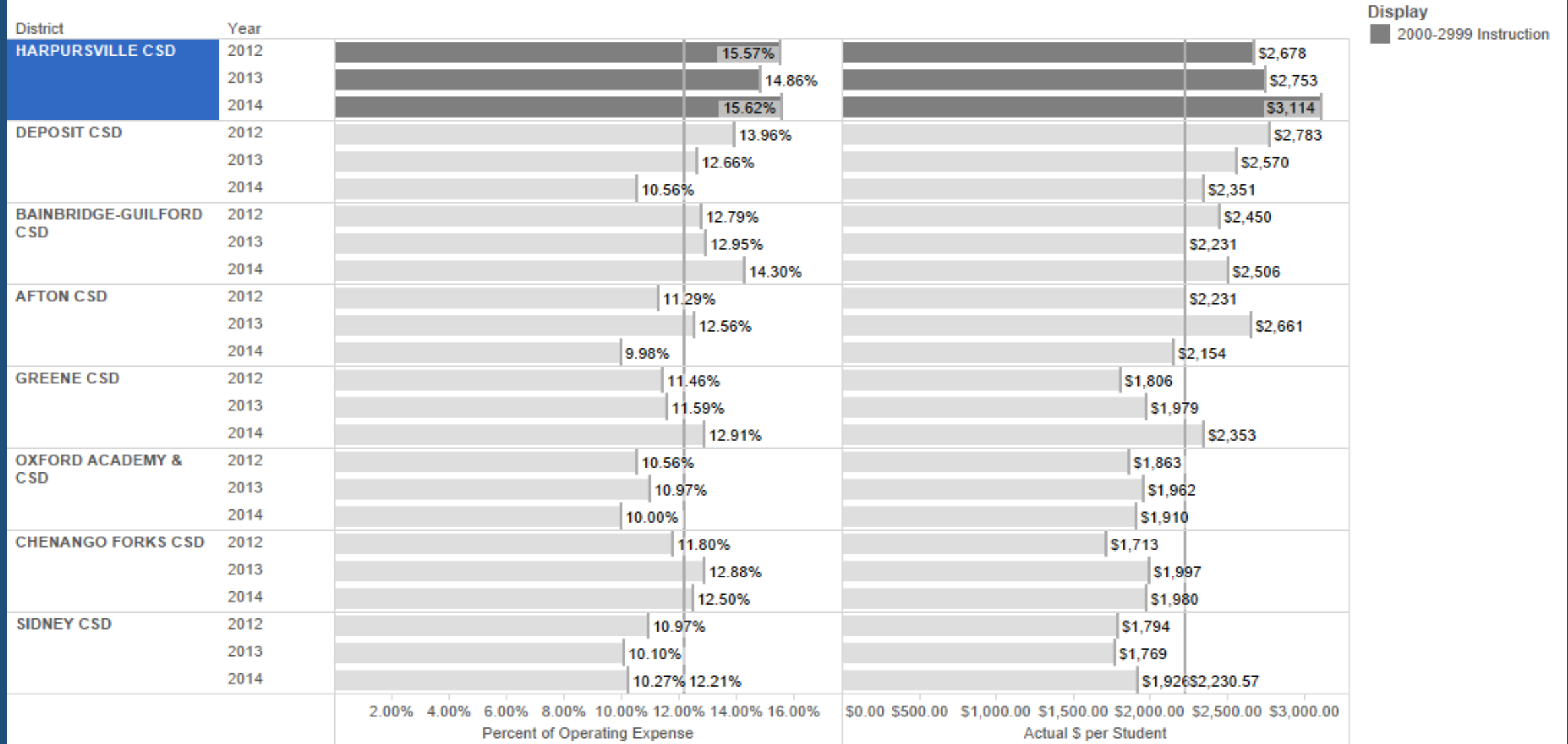
Special Education costs are projected to slightly increase in 15-16 and increase again in 16-17; however the current budget is inadequate to meet the needs of the actual expenses creating a greater budget to budget increase for 16-17.

# Per Pupil Special Education Spending (2250 code)

## Line Item Spending Comparison

Note: "Total Operating Expense" is all expenses from Fund A (General)

Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment



# “Similar Schools” Per Pupil Special Education Spending (2250 code)

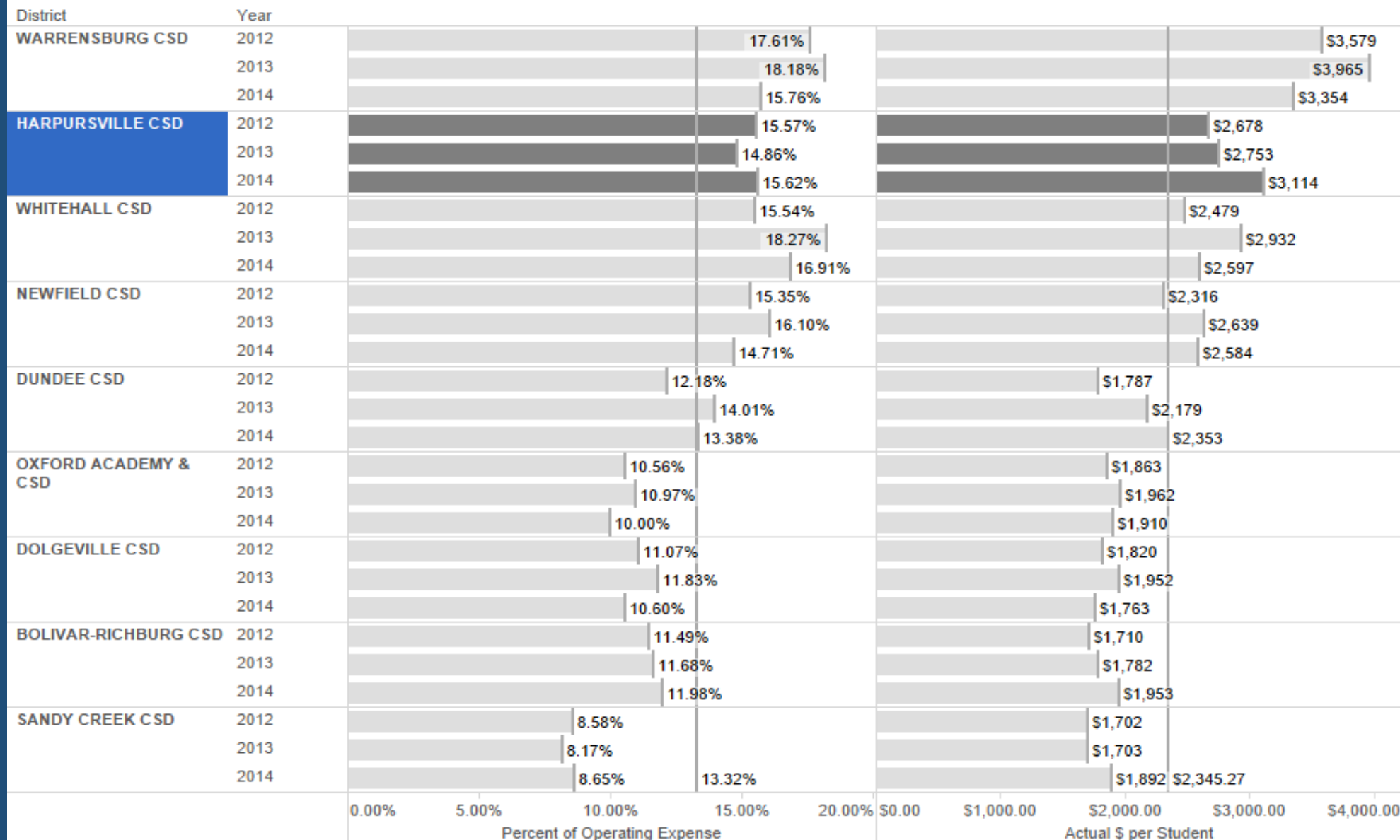
## Line Item Spending Comparison

Note: “Total Operating Expense” is all expenses from Fund A (General)

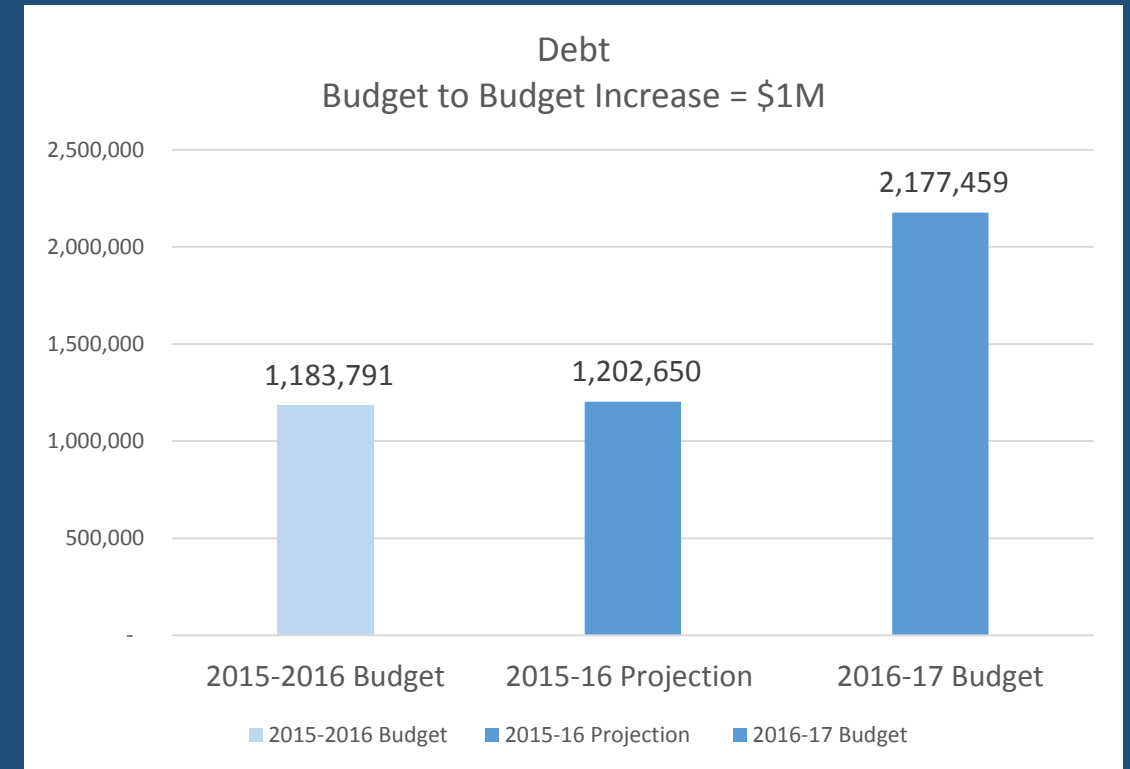
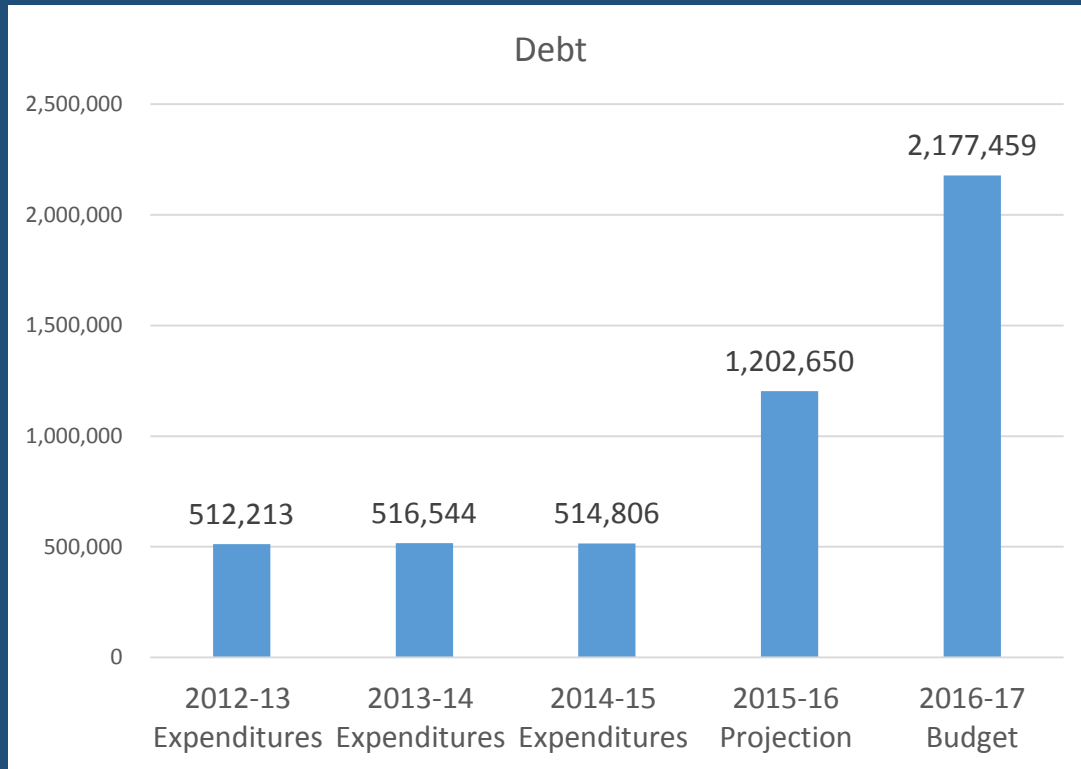
Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment

Display

2000-2999 Instruction



# SIGNIFICANT BUDGET DRIVERS: DEBT SERVICE



Debt Service increased in 15-16 and will increase again in 16-17 related to the 2012 project. There is a related increase in revenues (building aid & an inter-fund transfer from debt service).

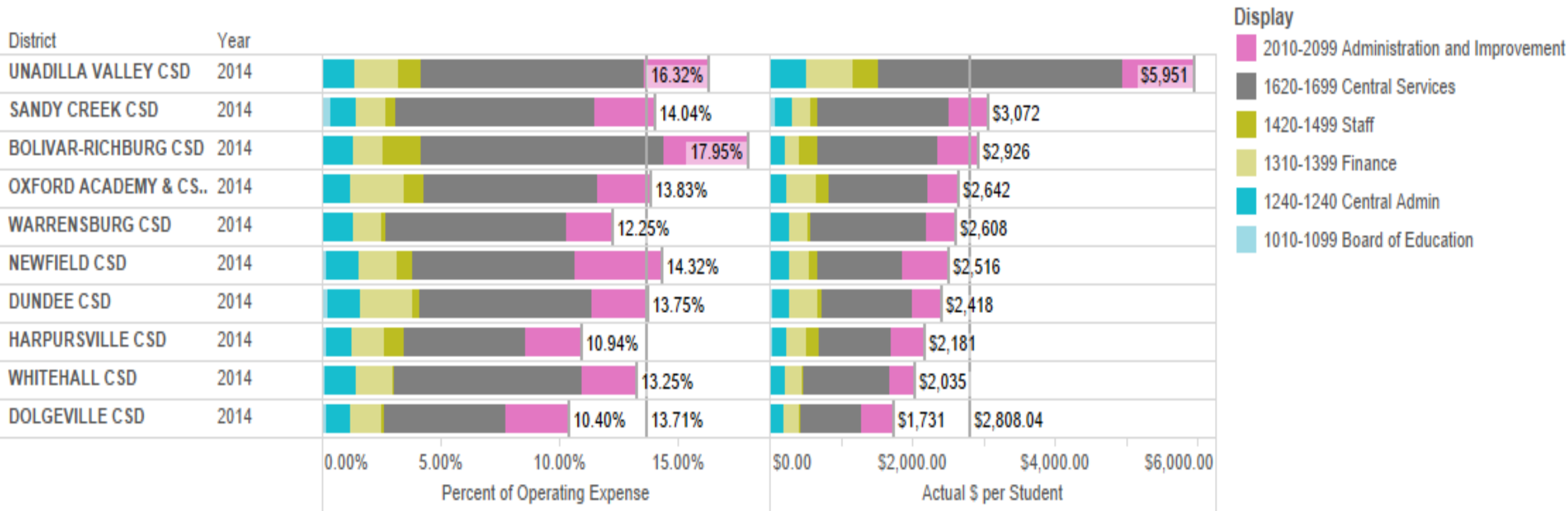
# “Similar Schools\*” – Administrative Cost Comparison

\*defined by enrollment and low income %

## Line Item Spending Comparison

Note: "Total Operating Expense" is all expenses from Fund A (General)

Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment



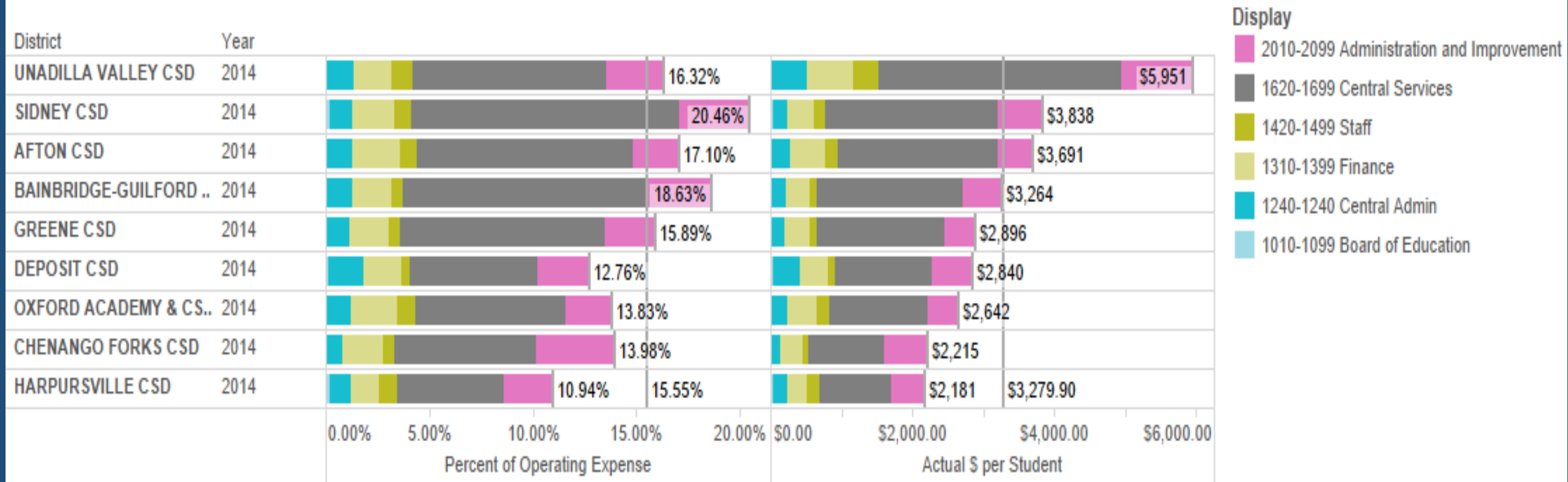


# “Local Schools” – Administrative Cost Comparison

## Line Item Spending Comparison

Note: "Total Operating Expense" is all expenses from Fund A (General)

Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment



# General Education Instructional Salaries Per Pupil

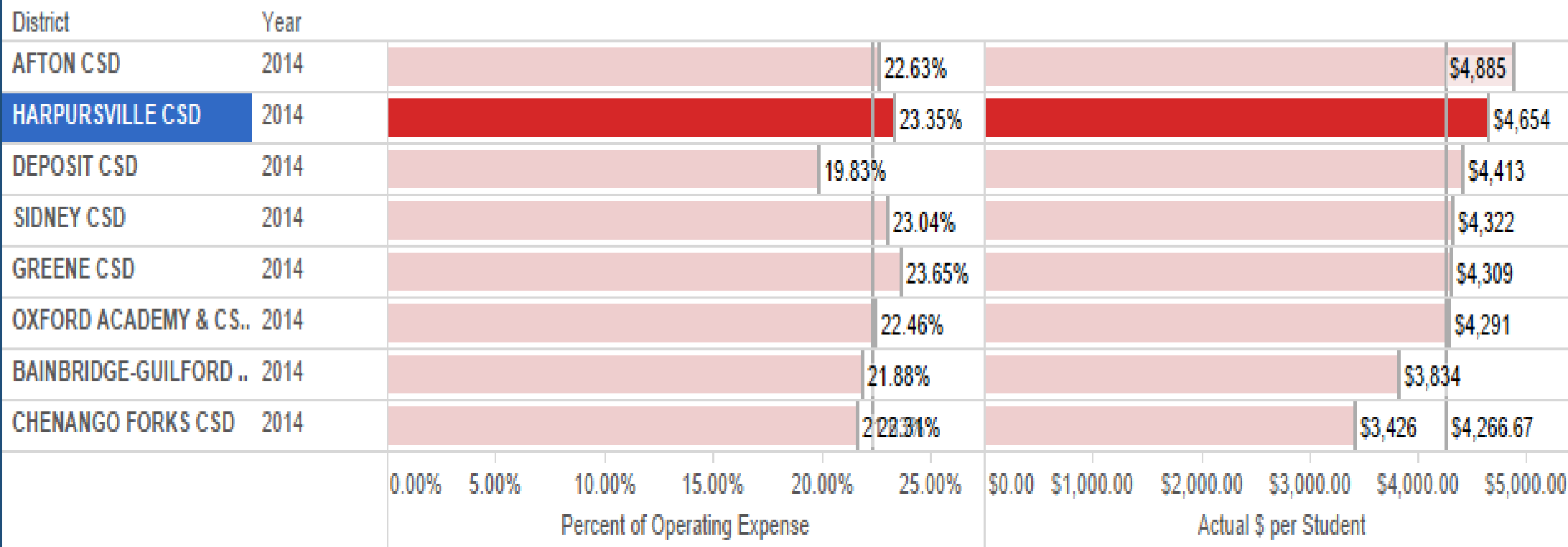
## Line Item Spending Comparison

Note: "Total Operating Expense" is all expenses from Fund A (General)

Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment

Display

■ .1 Personal Services



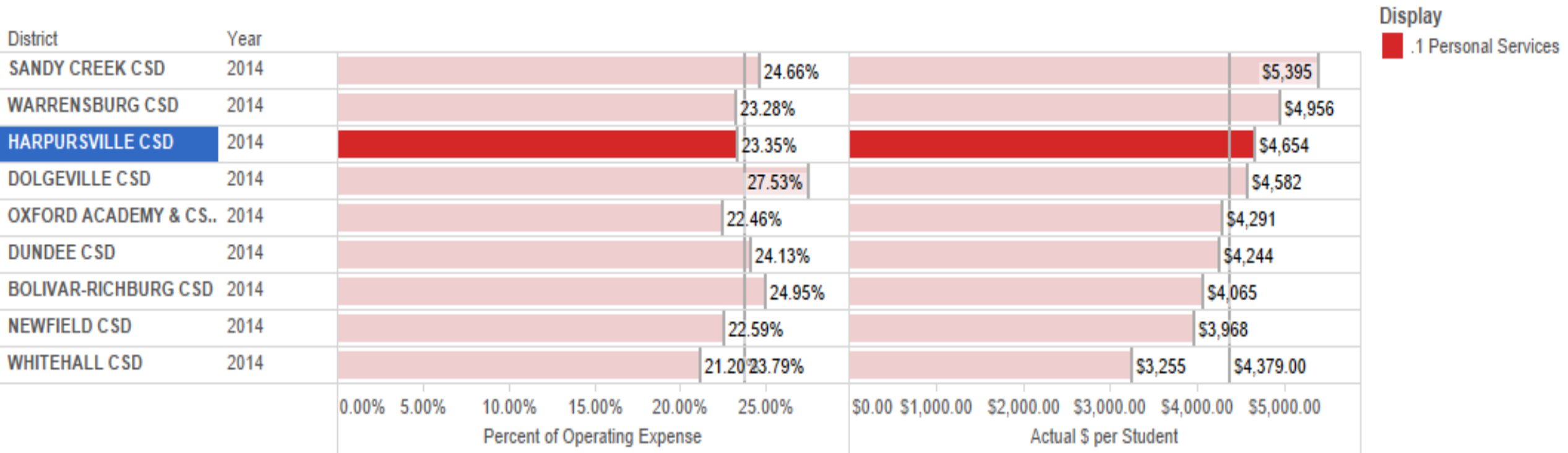
# General Education Instructional Salaries Per Pupil

\*similar schools

## Line Item Spending Comparison

Note: "Total Operating Expense" is all expenses from Fund A (General)

Source: NYSED ST-3 Form, Enrollment figures from BEDS Day Enrollment



# A look at BOCES costs...Net cost of BOCES Services 2014-2015 after aid received in 2015-2016

	TOTAL CONTRACT 14-15	NET COST
Academic Programs	244,202	81,579
Administrative Cost	63,517	27,323
Arts in Education	3,854	1,417
Business Office Support	59,134	20,763
Computer Services	421,578	146,234
Curriculum	99,654	35,556
Distance Learning	14,690	4,893
Educational Communications	11,233	3,445
Enrichment	502,389	91,936
GASB 45 Planning & Valuation	9,400	2,034

# A look at BOCES costs...Net cost of BOCES Services 2014-2015 after aid received in 2015-2016

	TOTAL CONTRACT 14-15	NET COST
Instructional Materials Development	2,948	1,066
Inter-Scholastic Sports Coordination	3,237	1,222
Library Services	11,644	3,359
Miscellaneous	19,397	8,499
Model Schools	18,021	6,429
Occupational Education	387,023	144,733
Printing	195,921	67,909
Public Information Service	17,196	7,164
Rent & Capital	45,221	8,335
Safety/Risk Management	14,545	6,153

# A look at BOCES costs...Net cost of BOCES Services 2014-2015 after aid received in 2015-2016

	TOTAL CONTRACT 14-15	NET COST
Summer School	1,702	450
Telephone Services	37,205	17,463
<b>Sub-Total Aidable Services</b>	<b>2,183,711</b>	<b>687,963</b>
Special Education	2,167,131	1,945,209
<b>GRAND TOTAL</b>	<b>4,350,842</b>	<b>2,633,172</b>

The net cost is based on the total contract cost less the surplus refund less the BOCES aid. Note: on special education services, there is NO BOCES aid--these are aided via High Cost Excess Cost Aid.

# POTENTIAL BUDGET REDUCTIONS IN 2016-2017

- Retiree health insurance costs
  - Approx. \$342,102 reduction in cost (expenditure)
  - This will have an impact on the revenue side too (\$75,000 – Medicare Part D)
  - Net impact of about \$267,102 in reduced costs
- Positions we know we are not filling for next year
  - HS ELA (\$80,299)
  - Technology Ed. (\$50,781)
- Capping UPK at 18 students per section (2 sections)
  - 2 aide positions reduced (~\$35,000)
- Anticipated BOCES costs have decreased (\$289,440)
  - After-school & enrichment costs (\$141,551)
  - Data services removed that are already included in budget (\$58,045)
  - Other program/contractual costs (\$89,843)
- Bringing a 12:1:1 back into our district (\$280,490)

**TOTAL: \$1,003,112**

# REMAINING BUDGT GAP

As of February 22, 2016

Revenues	Expenditures	Budget Gap
\$20,209,937	\$22,273,627	\$2,063,690

As of March 7, 2016

Revenues	Expenditures	Budget Gap
\$20,134,937	\$21,270,515	\$1,135,578



# Next Steps

- Identify other areas of potential reductions

- Waiting on acceptance of retirement incentive by individuals. This will impact staffing patterns based on enrollment trends previously examined.
  - Final aid runs will impact budget
  - If nothing (revenues and expenditures) changed from our current projections, we would have to consider teaching, non-teaching staff, and other staff:
    - *Potential* for approx. reductions in stipended positions of \$41,155
    - *Potential* for approx. reductions in certified teaching staff of 8 positions (both buildings)
    - *Potential* for approx. reductions in non-certified staff of 4 positions.
    - *Potential* for approx. reductions in other non-teaching staff of 2 positions
  - Working with elected politicians to try to get some of our restricted reserves (EBALR) freed up!
- The Board has been clear on keeping field trips intact for 2016-17 and for keeping the athletic program structure consistent with the February presentation.

# *Next Steps*

April 11<sup>th</sup> - Budget Workshop



THANK YOU!