

# HARPURSVILLE CENTRAL SCHOOL



Budget Workshop  
for  
2017-2018  
March 6, 2017

# TONIGHT'S FOCUS

- Budget goals
- Review of revenues & expenditures from 2/23/17
- Options for moving forward
- Next steps

# BUDGET GOALS

- Provide an instructional program that meets the educational needs of all students and ensures all students are prepared for their future.
- Work to eliminate structural deficits in our budgets.
- Develop a budget that continues the district's work toward maintaining fiscal health and stability while honoring our responsibility to the district residents and providing our students with a sound education.

# Brief Review of February 23<sup>rd</sup> Budget Presentation

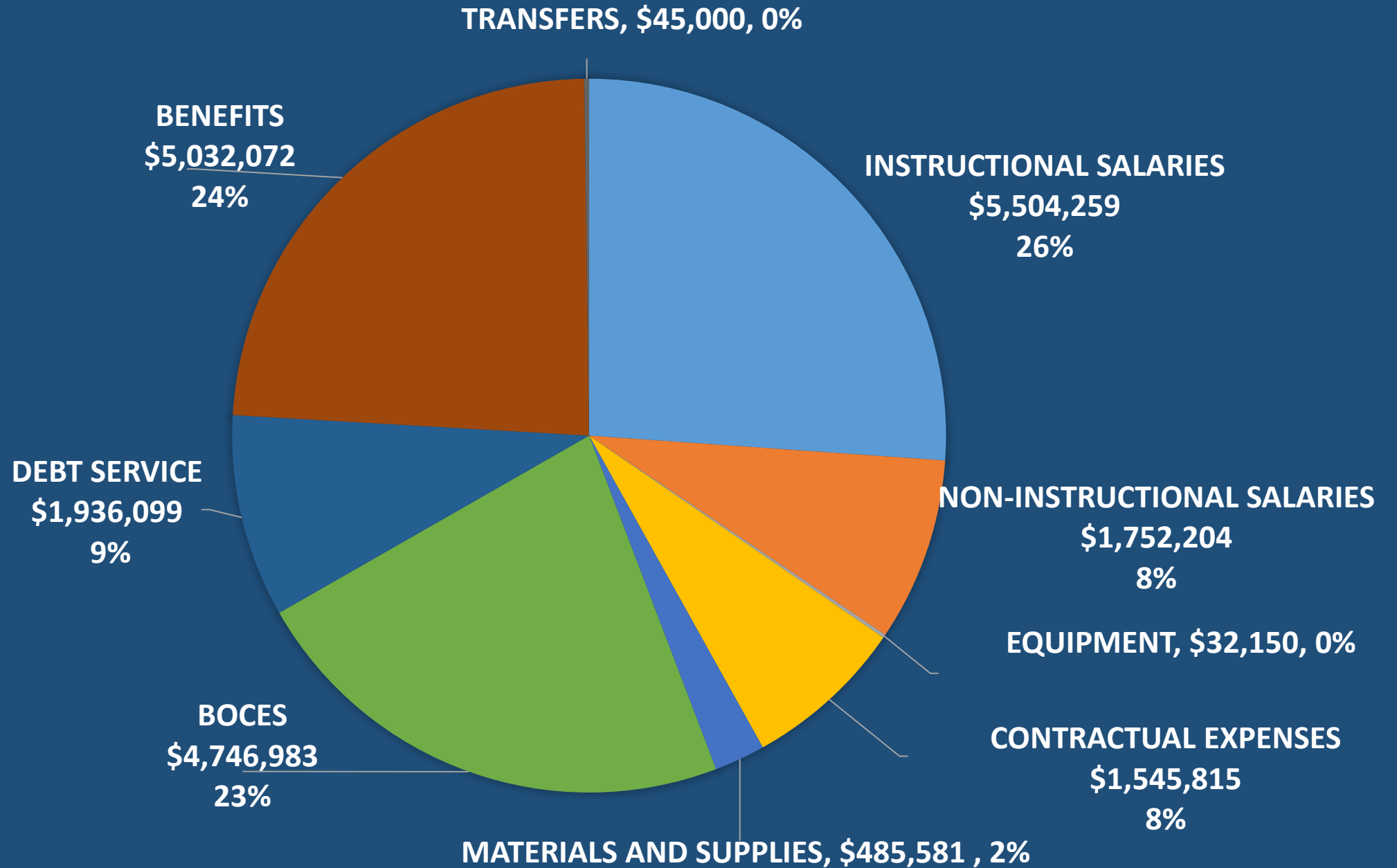
# Projected Revenues

| REVENUE                     | 2016-2017<br>ORIGINAL<br>BUDGET | 2017-2018<br>DRAFT<br>BUDGET | % INCREASE<br>BUDGET TO<br>BUDGET | \$ INCREASE<br>BUDGET TO<br>BUDGET |
|-----------------------------|---------------------------------|------------------------------|-----------------------------------|------------------------------------|
| TAX LEVY                    | \$3,857,206                     | \$3,939,554                  | 2.13%                             | \$82,348                           |
| OTHER REVENUE               | \$1,150,909                     | \$901,801                    | -21.64%                           | (\$249,108)                        |
| STATE AID                   | \$14,358,044                    | \$14,223,809                 | -.93%                             | (\$134,235)                        |
| APPROPRIATED RESERVES       | \$297,000                       | \$302,000                    | 1.68%                             | \$5,000                            |
| APPROPRIATED FUND BALANCE   | \$700,000                       | \$500,000                    | -28.57%                           | (\$200,000)                        |
| <b>TOTAL REVENUE BUDGET</b> | <b>\$20,363,159</b>             | <b>\$19,867,164</b>          | <b>-2.44%</b>                     | <b>(\$495,995)</b>                 |

# Projected Expenses

| EXPENDITURES               | 2016-2017<br>ORIGINAL<br>BUDGET | 2017-2018<br>DRAFT<br>BUDGET | % INCREASE<br>BUDGET TO<br>BUDGET | \$ INCREASE<br>BUDGET TO<br>BUDGET |
|----------------------------|---------------------------------|------------------------------|-----------------------------------|------------------------------------|
| INSTRUCTIONAL SALARIES     | \$5,371,882                     | \$5,504,259                  | 2.46%                             | \$132,377                          |
| NON-INSTRUCTIONAL SALARIES | \$1,755,513                     | \$1,752,204                  | -0.19%                            | (\$3,309)                          |
| EQUIPMENT                  | \$35,250                        | \$32,150                     | -8.79%                            | (\$3,100)                          |
| CONTRACTUAL EXPENSES       | \$1,494,683                     | \$1,545,815                  | 3.42%                             | \$51,132                           |
| MATERIALS AND SUPPLIES     | \$510,957                       | \$485,581                    | -4.97%                            | (\$25,376)                         |
| BOCES                      | \$4,209,280                     | \$4,746,983                  | 12.77%                            | \$537,703                          |
| DEBT SERVICE               | \$2,177,459                     | \$1,936,099                  | -11.08%                           | (\$241,360)                        |
| BENEFITS                   | \$4,776,136                     | \$5,032,072                  | 5.36%                             | \$255,936                          |
| TRANSFERS                  | \$32,000                        | \$45,000                     | 40.63%                            | \$13,000                           |
| <b>TOTAL</b>               | <b>\$20,363,159</b>             | <b>\$21,080,163</b>          | <b>3.52%</b>                      | <b>\$717,004</b>                   |

# WHERE DO WE SPEND OUR DOLLARS?



# Summary...

| Revenues     | Expenditures | Budget Gap  |
|--------------|--------------|-------------|
| \$19,867,164 | \$21,080,163 | \$1,212,999 |

Our issue this year and in future years will be controlling our expenses. We believe that we have a budget that accurately reflects the anticipated revenues and expenditures of our district as evidenced by the 2016-2017 budget performance. The only direct control we have over revenues is with the tax levy, therefore we are left to wrestle with the expenditure side of the budget as a means of balancing the budget.



Options for balancing the budget...

# Option 1

Raise the tax levy

From \$3,857,206

To

\$5,152,553

This is an increase of approx.  
33.58% or \$1,295,347

Eligible for Tax Relief Incentive: **NO**

# Option 2

Combination of  
tax levy  
(above the cap)  
+  
reductions in expenditures

2.13% < tax levy < 33.58%  
+  
necessary reductions

Eligible for Tax Relief Incentive: **NO**

# Option 3

Tax Levy of 2.13%  
(max. allowable under tax cap)  
+  
Entire gap covered by  
reductions

Reduce expenditures by the  
amount of the budget gap  
(currently \$1,212,999)

Eligible for Tax Relief Incentive: **YES**

# Various Tax Levy Impacts on \$50,000 Home

| Tax Increase  | True Value Tax Rate | Tax on \$50,000 Home | Change from 2016-2017 |
|---------------|---------------------|----------------------|-----------------------|
| Current 16-17 | \$14.8364           | \$741.82             |                       |
| <b>2.13%</b>  | <b>\$15.1531</b>    | <b>\$757.66</b>      | <b>\$15.84</b>        |
|               |                     |                      |                       |
| 5%            | \$15.5782           | \$778.91             | \$37.09               |
| 10%           | \$16.3200           | \$816.00             | \$74.18               |
| 15%           | \$17.0618           | \$853.09             | \$111.27              |
| 20%           | \$17.8036           | \$890.18             | \$148.36              |
| 25%           | \$18.5454           | \$927.27             | \$185.45              |
| 30%           | \$19.2873           | \$964.37             | \$222.55              |
| 35%           | \$20.0291           | \$1,001.46           | \$259.64              |

# Strategies for closing the gap:

1. Gap of \$1,212,999 is approximately 5.75% of the projected expenditures. Make line reductions equal to 5.75% across the board, where possible.
  - obviously, some lines (i.e. debt service) cannot be reduced, so the associated reduction has to be shifted to other areas.
2. “Point and shoot” – cuts in specific areas to get to the bottom line.
3. Combination of the two strategies above.

# 5.75% of each expenditure line in \$

| <b>EXPENDITURES</b>        | <b>2016-2017 ORIGINAL BUDGET</b> | <b>2017-2018 DRAFT BUDGET</b> | <b>% INCREASE BUDGET TO BUDGET</b> | <b>\$ INCREASE BUDGET TO BUDGET</b> |  | <b><i>5.75% of each line</i></b> |
|----------------------------|----------------------------------|-------------------------------|------------------------------------|-------------------------------------|--|----------------------------------|
| INSTRUCTIONAL SALARIES     | \$5,371,882                      | \$5,504,259                   | 2.46%                              | \$132,377                           |  | <b><i>\$316,494.89</i></b>       |
| NON-INSTRUCTIONAL SALARIES | \$1,755,513                      | \$1,752,204                   | -0.19%                             | (\$3,309)                           |  | <b><i>\$100,751.73</i></b>       |
| EQUIPMENT                  | \$35,250                         | \$32,150                      | -8.79%                             | (\$3,100)                           |  | <b><i>\$1,848.63</i></b>         |
| CONTRACTUAL EXPENSES       | \$1,494,683                      | \$1,545,815                   | 3.42%                              | \$51,132                            |  | <b><i>\$88,884.36</i></b>        |
| MATERIALS AND SUPPLIES     | \$510,957                        | \$485,581                     | -4.97%                             | (\$25,376)                          |  | <b><i>\$27,920.91</i></b>        |
| BOCES                      | \$4,209,280                      | \$4,746,983                   | 12.77%                             | \$537,703                           |  | <b><i>\$272,951.52</i></b>       |
| DEBT SERVICE               | \$2,177,459                      | \$1,936,099                   | -11.08%                            | (\$241,360)                         |  | <b><i>\$111,325.69</i></b>       |
| BENEFITS                   | \$4,776,136                      | \$5,032,072                   | 5.36%                              | \$255,936                           |  | <b><i>\$289,344.14</i></b>       |
| TRANSFERS                  | \$32,000                         | \$45,000                      | 40.63%                             | \$13,000                            |  | <b><i>\$2,587.50</i></b>         |
| <b>TOTAL</b>               | <b>\$20,363,159</b>              | <b>\$21,080,163</b>           | <b>3.52%</b>                       | <b>\$717,004</b>                    |  | <b><i>\$1,212,109.37</i></b>     |

What are the items in each  
expenditure category?



# Expenditure Breakdown

- Instructional Salaries:
  - Salaries of Pre-K – 12 General/Special Education Teachers
  - Guidance Counselors, Psychologist, Speech Pathologist
  - Administrative /Superintendent
  - Enrichment Salary costs of Teachers/Admin
  - Coaching and Club Stipends for Teaching Staff

# Expenditure Breakdown continued

- Non-instructional Salaries:
  - Business Office/Board Clerk Salaries
  - Maintenance Salaries
  - Administrative Assistants
  - Aides
  - Bus Drivers
  - Coaching and Club Stipends for Non-Teaching Staff



# Expenditure Breakdown continued

- Equipment:
  - Maintenance Equipment
  - State Aid Computer Hardware
- Contractual Expenses:
  - Business Office – Auditing, Insurance Policies, Legal, Tax Collecting
  - Maintenance- HVAC contracts, Supplies, Trash Collection, Various other Maint. Contracts
  - Transportation – Leonard Bus
  - Special Education – Contracts for related services provided to our Special Education students on campus
  - Also included in the contractual lines are items like Professional Development and Yearly Conferences for all employees and Board of Education Members

# Expenditure Breakdown continued

- **Materials and Supplies:**
  - Anything materials/supplies used throughout the year by the district's various departments
- **BOCES:**
  - Used to provide services that may be more cost efficient than if performed internally.
- **Debt Services:**
  - Principle and Interest for any Bond, BAN, RAN that the district may have
- **Interfund Transfers:**
  - Any necessary transfers to other funds (i.e. School Lunch or Federal)

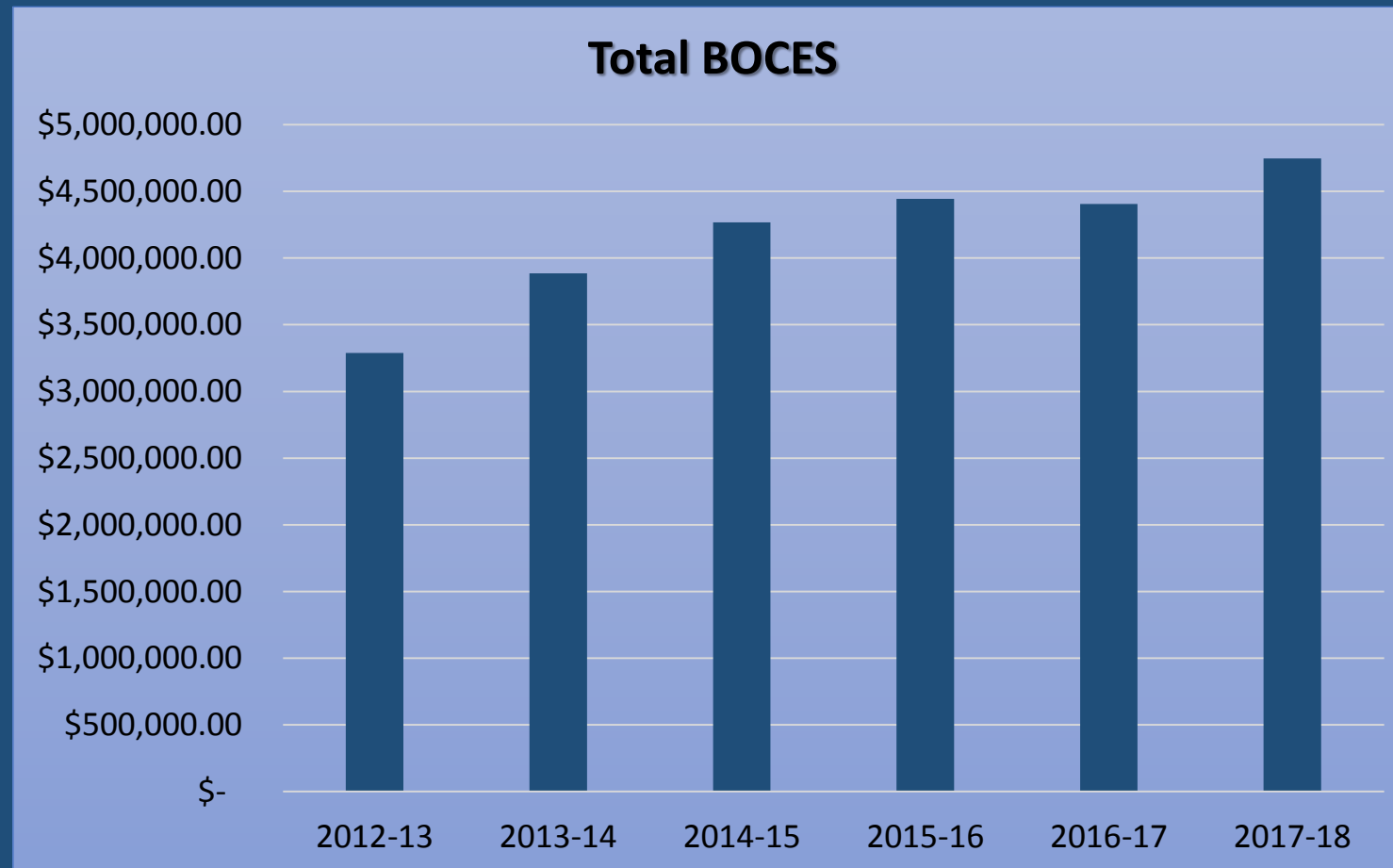
# Expenditure Breakdown continued

- **Employee Benefits**

- Employee Retirement System (ERS) – Retirement Costs for non-instructional employees
- Teacher's Retirement System (TRS)-Retirement Costs for instructional employees
- FICA/Social Security – additional 7.65% paid for salaries paid by the district into Social Security.
- Workers' Compensation
- Unemployment Costs
- Health and Dental Insurance

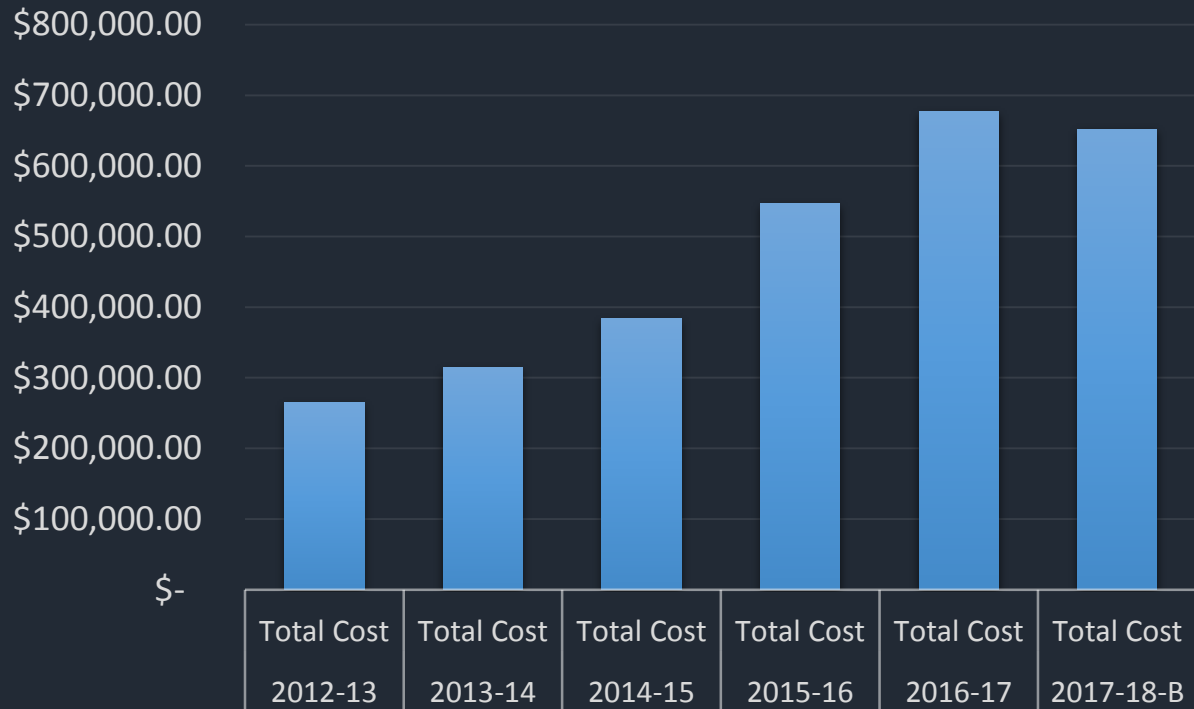
# BOCES

| BOCES      | 2012-13        | 2013-14        | 2014-15        | 2015-16        | 2016-17         | 2017-18         |
|------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Total Cost | \$3,289,029.78 | \$3,885,122.83 | \$4,267,493.63 | \$4,443,597.58 | \$ 4,404,614.33 | \$ 4,746,983.00 |

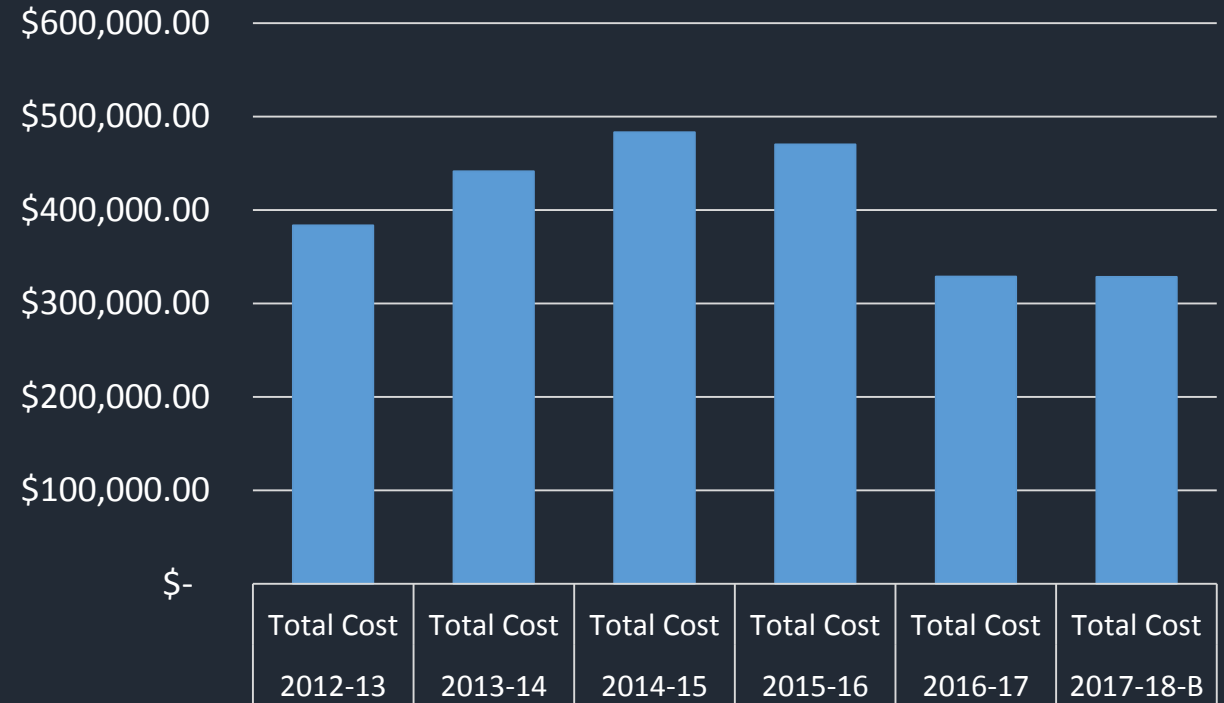


# BOCES

## CTE Costs

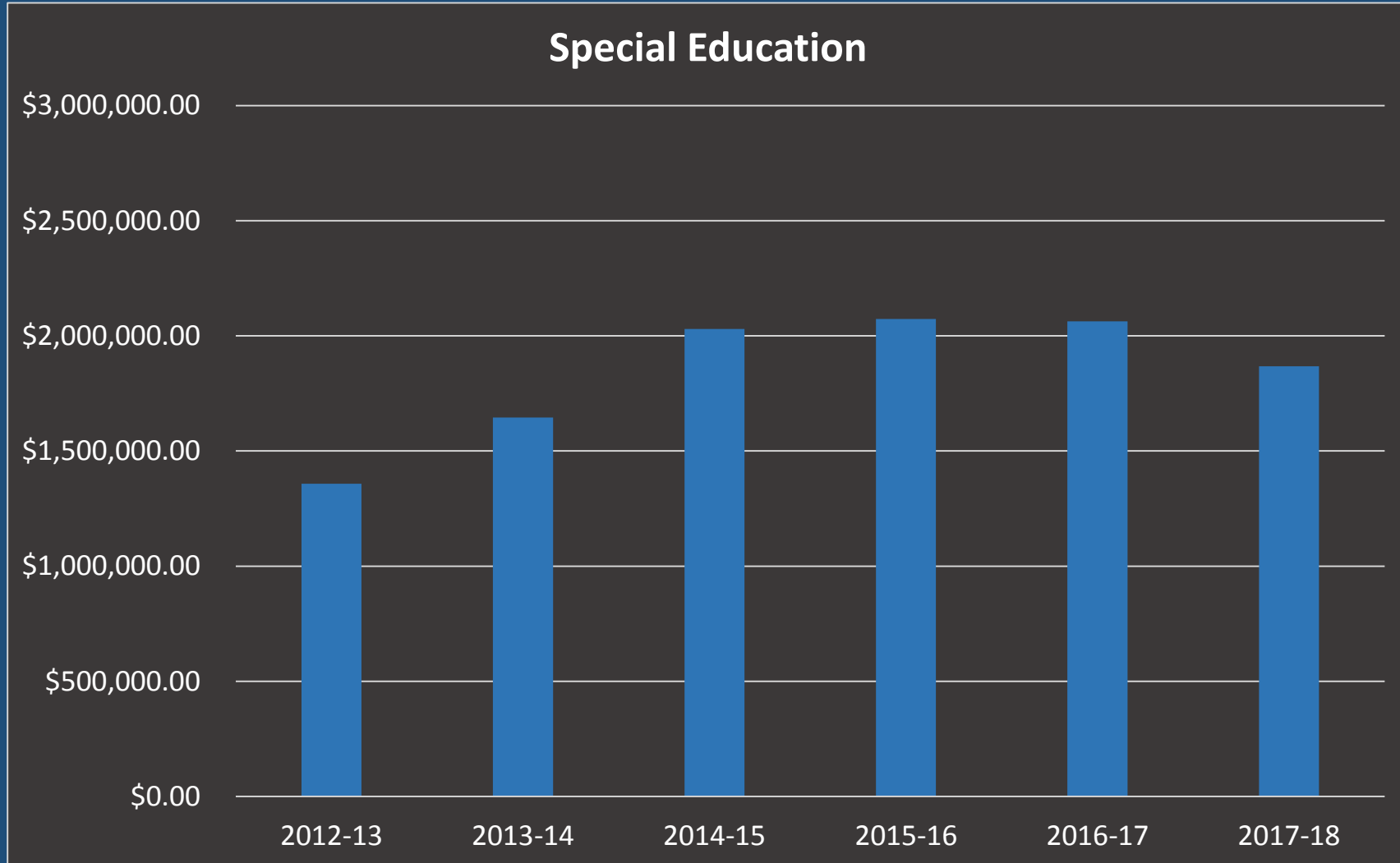


## Enrichment Costs



# BOCES

## Special Education



# Next Steps:

- Anticipate the legislative proposal for school funding (early April)
- Work to complete the BOCES budget (currently a placeholder)
- Evaluate staffing needs
  - Retirements?
- Identify other areas of potential reductions

March 13<sup>th</sup> – Revised budget presentation, if applicable

April 3<sup>rd</sup> – Budget workshop

*Questions?*



**THANK YOU!**