

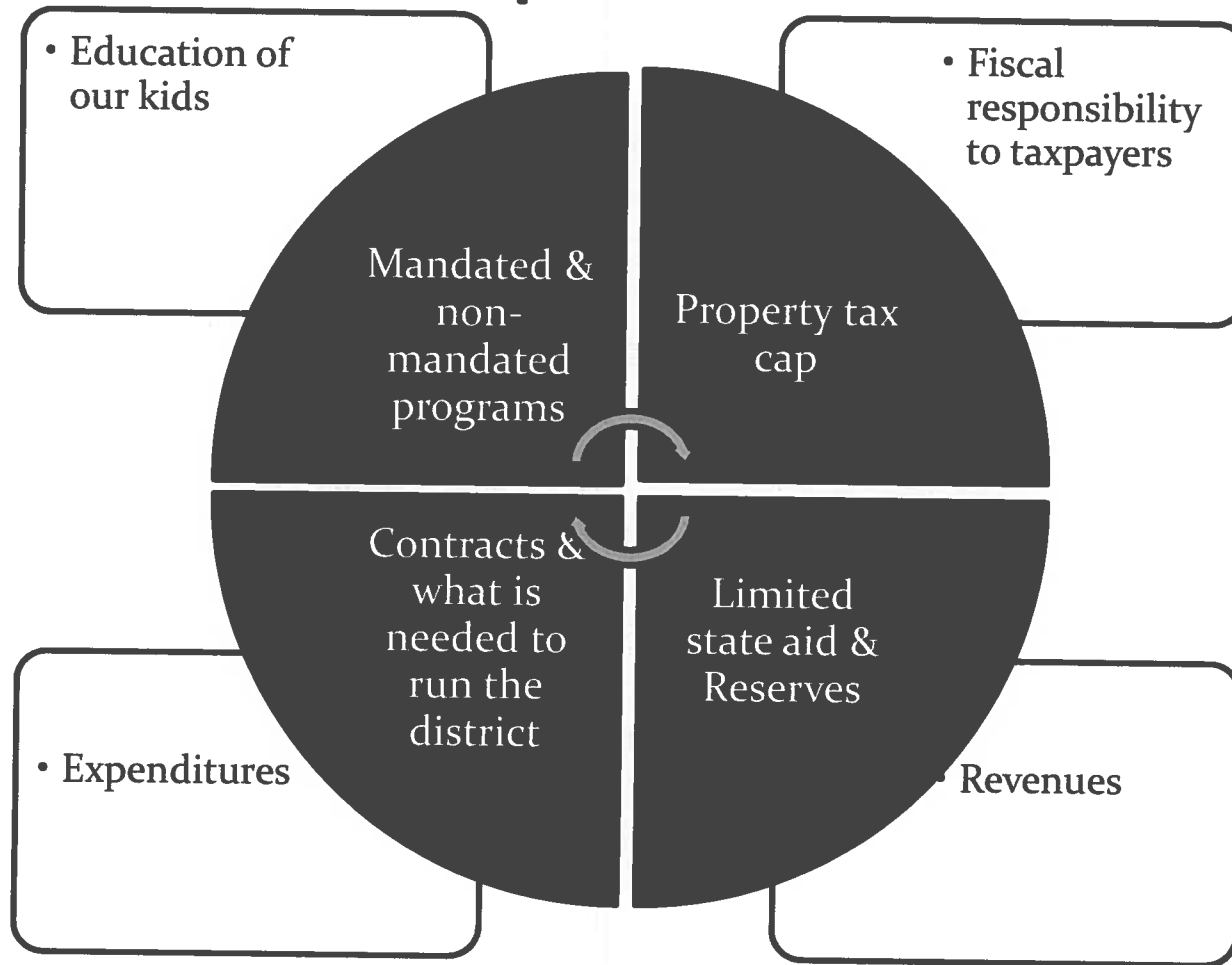


# **Elmira Heights Central School District**

2012-13 District Budget Proposal  
Overview & Assumptions

February 13, 2012

# We must look at all pieces of the puzzle



# Challenges Ahead

- Governors restored GEA only makes up for approximately 1/3 of the loss of Ed Jobs funding in 2012-13
  - State Aid – Governor’s budget restored \$138,513 (7.79%)
  - Still \$257,889 (14.49%) loss of funding in just Ed Jobs funding
- –Projected expenditure increase of \$1,379,047 (7.42%)
- Tax Cap – Actual calculation not finalized – tentatively 4.57%
- Evaluate use of Reserves
- Necessary cuts...how deep???

- \$396,402 Ed Jobs
- \$138,513 Addl aid
- \$257,889 loss of funding



# Strategies

- Bond refunding to decrease debt service (\$37,000)
- Elimination of personnel by attrition rather than lay-offs
- Scale back over broad areas rather than eliminate...may not be possible to do this time
- Elimination of non-mandated programs
- Eliminate equipment, field trips, conferences
- Continue to explore opportunities for functional consolidations
- Use of new technology (virtual learning with other districts, webinars instead of travel, etc)

# Budget Summary

	2011-12	2012-13	\$	%
Description	Adopted	Proposed	Incr(Decr)	Incr(Decr)
<u>Budgeted Expenditures</u>				
General Support	2,763,655	2,809,344	45,689	1.65%
Instruction	8,898,145	9,327,570	429,425	4.83%
Transportation	462,491	467,544	5,053	1.09%
Employee benefits	3,721,861	4,447,856	725,995	19.51%
Debt service	2,703,613	2,860,693	157,080	5.81%
Interfund transfers/other	44,635	50,000	5,365	12.02%
<b>Total Budget</b>	<b>18,594,400</b>	<b>19,963,007</b>	<b>1,368,607</b>	<b>7.36%</b>



# What is included in each line?

- General Support-
  - Board of Education, District office, legal expenses, general liability insurance, records management, public information & all maintenance services
  - BOCES general services (including computer services)
- Instruction-
  - All regular & special education instruction
  - All 3 school offices & staff operations
  - Guidance, Health, Library services
  - In-service & curriculum planning
  - Occupational education, alternative education & summer school
  - Extra-curricular & Athletics



# What is included in each line?

- Transportation
  - All transportation services & staff
  - Transportation repair & maintenance services & staff
  - Vehicle insurance
  - Bus garage lease cost
- Employee Benefits
  - Retirement systems district contributions, Workers Compensation insurance, Disability insurance, FICA/Medicare contribution & Health Insurance, all other employment benefits



# What is included in each line?

- Debt Service
  - Principal payments on District capital bonds & buses
  - Interest payments on District capital bonds & buses
- Interfund transfers/other
  - Transfer to Capital fund for the bus garage lease
  - Transfer to Special aid fund for portion of Summer school special education costs

# General Support

## Budget Increases

- Salary increases-based on contracts in place and step increases for expiring support contract +\$27,573 (+3.27%)
- BOCES services increases +\$35,146 (+3.02%) (BOCES budget presentation 2/14)
- Voting supplies & contractual services-implementation of paper ballot voting system anticipated +\$375 (+38.27%)
- Auditing fees-will be doing RFP next year for audit; implementation of new GASB requirements may increase fees +\$3475 (+20.93%)
- Insurance – anticipated due to flooding in NYS & large school losses +\$1,600 (+2.94%)



# General Support cont...

## Budget Decreases

- Eliminated equipment -\$5,000 (-100%)
- Contractual -\$5,530 (-.85%)
  - Decreased water budget due to increased efficiency
- Materials & Supplies -\$6,500 (-6.74%)
  - Grounds/Miscellaneous-decreased budget-do less with less
- Postage-rates have stabilized -\$4,000 (-16%)



# Instruction

## Budgeted Increases

- Salary increases +\$375,649 (+6.99%)
  - based on contracts in place and step increases for expiring teachers & support contracts
  - Ed Jobs fund grant salaries in Federal fund in 11-12; in General fund 12-13
  - Decrease in Title I funds due to Cohen MS SINI status (mandatory allocation of funds for tutoring)
- BOCES services increases +\$94,594 (+3.00%) (BOCES budget presentation 2/14)



# Instruction cont...

## Budget Decreases

- Eliminated equipment (except state-aided computer hardware) -\$15,004 (-50%)
- Contractual expenses across the board (including conferences) -\$5,075 (-3.73%)
- Materials & Supplies across the board -\$19,543 (-18.79%)



# Transportation

- Salaries +\$517 (+.18%)
  - Based on contracts in place and step increases for expiring support contracts
  - Overall decrease due to new drivers/aides at lower hourly rates
- Contractual – slight decrease due to decreased bus repairs (newer bus fleet) -\$167 (-.83%)
- Materials & Supplies – decrease due to less parts for bus repairs (newer bus fleet) -\$5,350 (-4.52%)
- Contracted transportation – increase due to loss of revenue for Horseheads based on SED formulas (still financially beneficial for us) +10,000 (+31.25%)



# Employee Benefits

- Employees Retirement System (ERS) +\$43,000 (+17.41%)
  - Rate increase from 15.9% of payroll to 18.7% of payroll
  - Increase in projected salaries
- Teachers Retirement System (TRS) +\$77,274 (+14.06%)
  - Rate increase from 11.11% of payroll to 11.84% of payroll
  - Increase in salaries (including moving salaries from EJF & Title I)



# Employee Benefits cont...

- Social Security increase due to increase in salaries (including moving salaries from EJF & Title I) +\$23,513 (+4.69%)
- Workers Compensation is decreasing due to our favorable experience rating -\$6,505 (-7.14%)
- Health Insurance +591,772 (+26.03%)
  - 10-12% increase in premiums in 2012-13 (depending on plan)
  - P80 for 6 months then switch back to P56



# Debt Service

- Increase due to using \$160,000 capitalized interest from capital fund in 2011-12; must pay from general fund in 2012-13
- May decrease by approximately \$37,000 if we are able to refund two outstanding bond issues (will not know until after March 1)



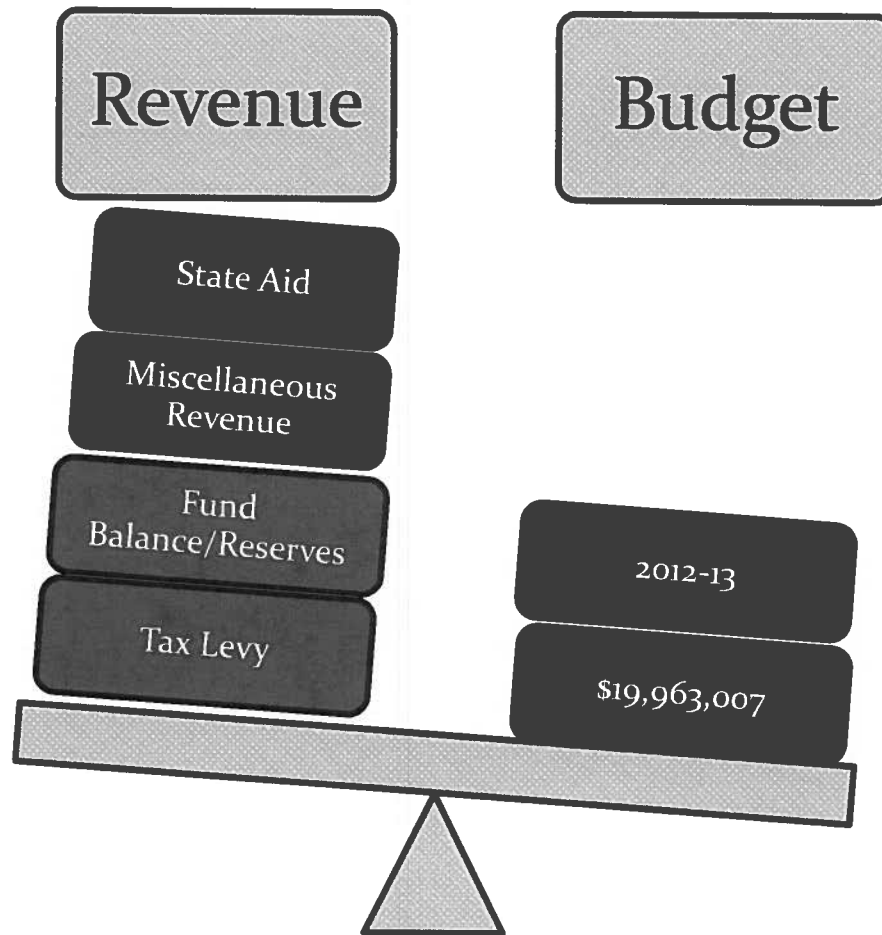
# Interfund Transfers/Other

- Increase due to anticipated bus garage lease paid from Capital fund but transferred there from General fund (1 year lease signed with Horseheads last year)

# Anticipated Revenue

	2011-12	2012-13	\$	%
Description	Adopted	Proposed	Incr(Decr)	Incr(Decr)
<b><u>Estimated Revenue</u></b>				
State Aid	9,961,434	10,098,761	137,327	1.38%
Other Revenues	1,296,828	785,579	(511,249)	-39.42%
Appropriated fund balance	600,000	600,000	0	0.00%
<b>Total revenue without levy</b>	<b>11,858,262</b>	<b>11,484,340</b>	<b>(373,922)</b>	<b>-3.15%</b>

# Where Does School Revenue Come From?

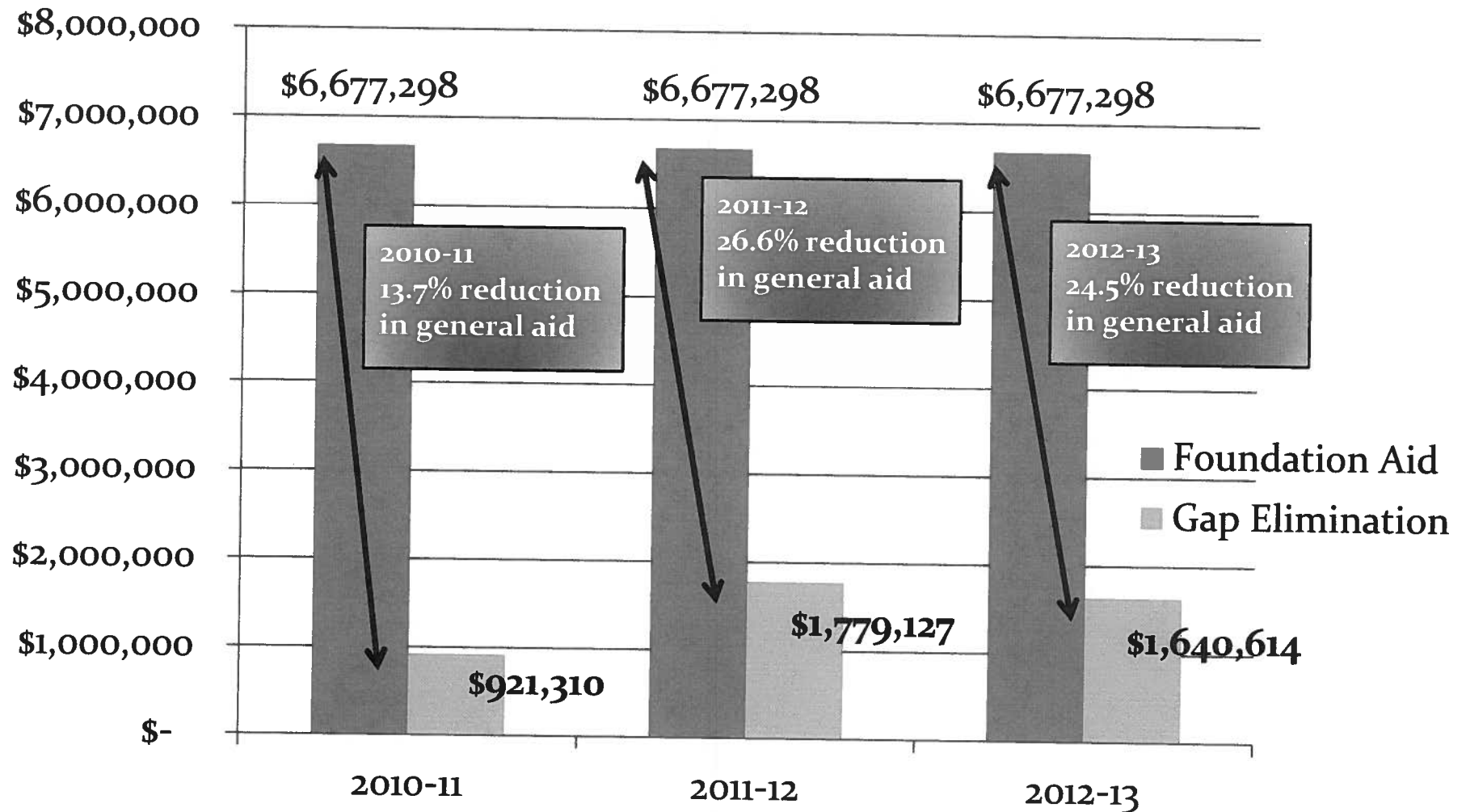


# Executive Budget Proposal

## 2012-13 State Aid

<p>\$6,677,298 Foundation Aid No Change</p>	<p>(\$1,640,614) Gap Elimination/GEA (Aid Restoration) <b>Decrease of \$138,513</b></p>	<p>\$232,875 Excess Cost Aid Public, Private <b>Increase of \$56,515</b></p>	<p>\$4,620,202 (Transportation, BOCES, Building Aid, Instructional Materials) <b>Increase of \$91,798</b></p>
<p><b>Net increase \$137,327</b></p>			

# Foundation Aid/Gap Elimination Aid





# Other Revenues

- 2011-12 Used \$481,047 in EBALR Reserve funds after obtaining certification from NYS Comptroller
- \$95,346 from debt service fund used in 2011-12
- Reserves and/or debt service usage undecided

# Tax Levy & Tax Cap

	2011-12	2012-13	\$	%
Description	Adopted	Proposed	Incr(Decr)	Incr(Decr)
<b>Total Budget</b>	18,594,400	19,963,007	1,368,607	7.36%
<b>Total revenue without levy</b>	11,858,262	11,484,340	(373,922)	-3.15%
<b>Tax Levy needed</b>	6,736,138	8,478,667	1,742,529	25.87%
<b>Tax levy cap amount</b>		7,043,659	307,521	4.57%
<b>Amount over(under) cap</b>		1,435,008		

# Next Steps to consider

## Reduce

- Direct instructional expenditures (mandated/non-mandated)
- Support expenditures (support/clerical/maintenance/transportation)

## Reserves

- Use to offset loss of revenues
- Used to offset increased expenditures

## Taxes

- Tax cap levy limit
- Responsibility to taxpayers



# Expenditure Reductions

- Non-mandated programs give kids choices and enhance their educational experience
  - increases the gap between the haves & have nots
  - May affect college and job opportunities after graduation
- Do “more with less” or “less with less”?
  - due to 3 years of decreased staff district employees are already stretched thin in many areas
  - Race to the Top & Teacher Principal evaluation system is added time burden to Superintendent/Administrators/Teachers & a huge cost to the District
  - Where is major mandate relief & when will it come????
- Health insurance – P80 contract concession sunsets 12/31/12-will we be able to negotiate continuance & prior to budget being finalized? Will save almost \$400,000



# Expenditure Reductions

- Cuts through attrition...doesn't eliminate jobs of current employees
  - Retirements
    - 90 day notice for teachers (March 30<sup>th</sup> deadline)
    - 30 day notice for support staff (May 30<sup>th</sup> deadline)
    - If retiree is eligible for health insurance decreases savings
  - Cleaner/sub bus driver eliminated last month
- Lay-offs increase unemployment costs/lower employee morale/may increase class sizes
- Maintain health & safety of kids and employees!!

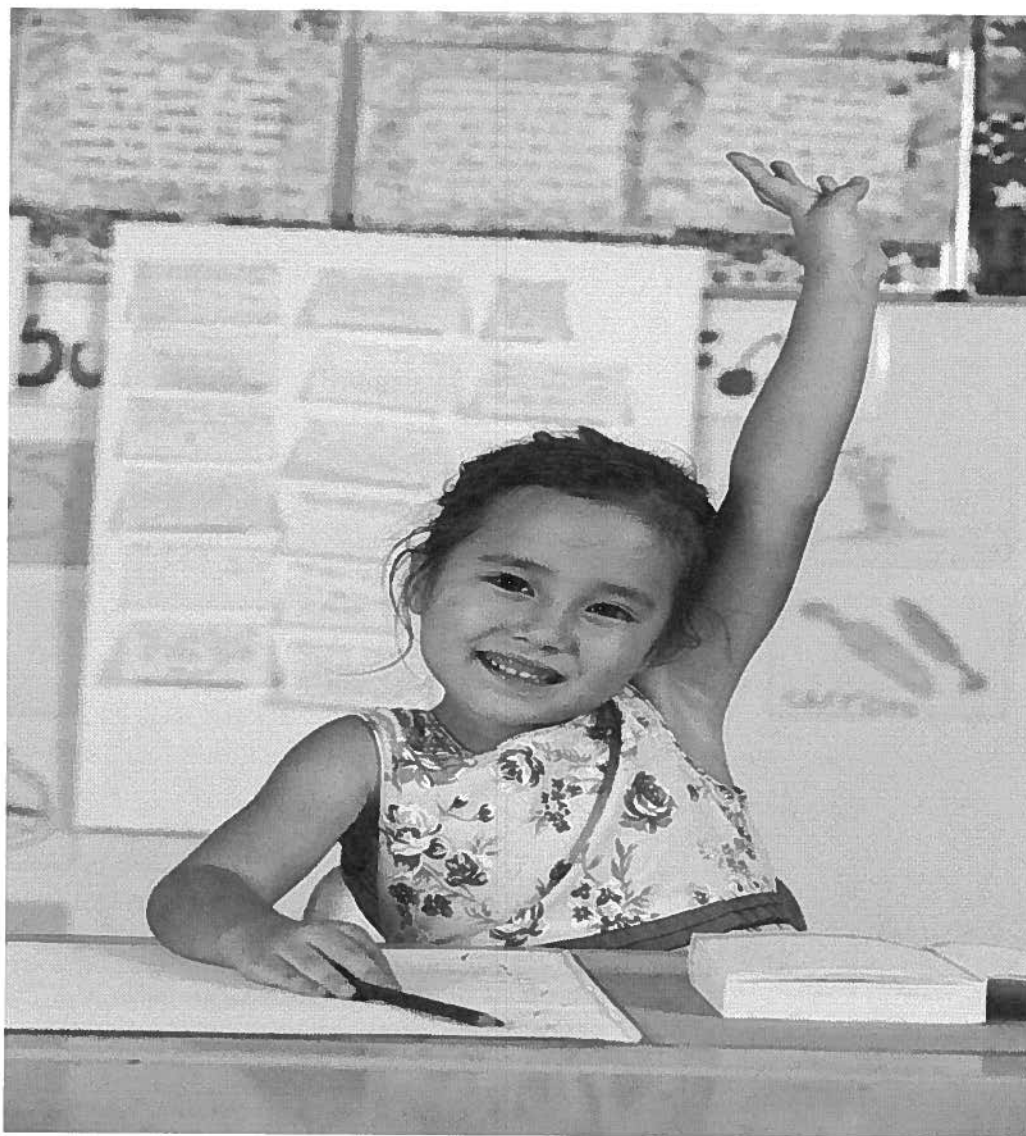


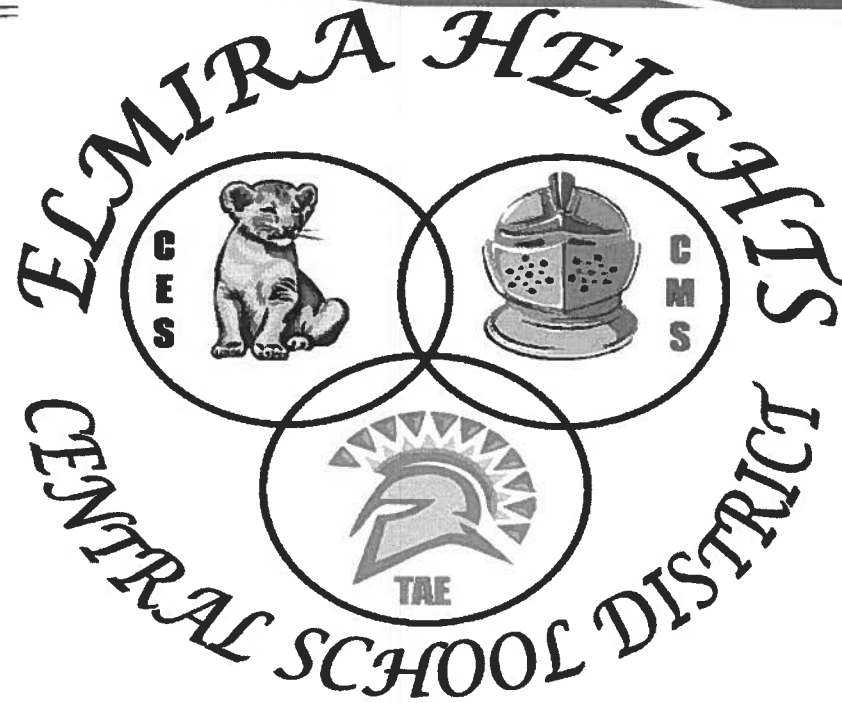
# Reserves

- Our reserves are our savings accounts
- Some created by BOE resolution and some by voter resolution
  - Retirement Contributions Reserve \$1,037,197
  - Unemployment \$224,333
  - Workers Compensation \$255,240
  - Employee Benefit Accrued Liability \$246,391
  - Tax Certiorari \$280,301
  - Capital \$805,319 (Voter)
  - Repair \$203,238

The delicate balance schools  
are facing







We are *THE* Elmira Heights CSD  
Where kids come first and  
**WE MATTER!**