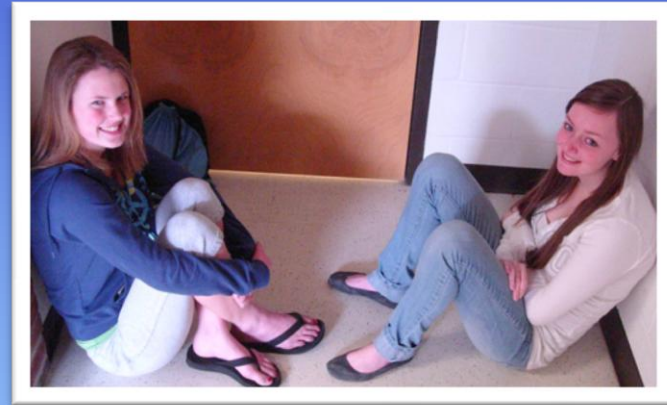


# Horseheads Central School District 2010-11 School Budget Development Update



**The Mission of the Horseheads Central School Community is to provide a quality education for all within a nurturing environment which promotes excellence, growth, and a sense of civic responsibility.**

April 8, 2010

# Background...

- 2010-11 budget planning and development began in October 2009 with the development of a five-year budget forecast.
- The Governor announced his proposed budget in January, with a \$3,741,427 million cut—11.66%—in state aid to Horseheads for 2010-11.
- We held staff meetings on the five-year budget forecast and reserve funds in February.
- The Legislature did not meet the April 1 budget deadline.
- We are in the second year of challenging financial times. This has become a three- to five-year challenge.



# State-wide picture

- Governor Paterson's budget proposes a \$1.4 billion cut in state aid to districts.
- The state school boards association (NYSSBA) and superintendents council (NYSCOSS) estimate 20,000 school positions could be lost state-wide next year.
- A NYSSBA/NYSCOSS survey of school districts found the following:
  - 79% of districts anticipate increasing class sizes.
  - 70% expect to reduce electives.
  - 67% may cut back extracurricular activities, including athletics.
  - 65% expect to trim or eliminate field trips.
  - 54% plan to defer equipment, textbook, and library purchases
  - 50% plan to eliminate or reduce summer school
  - 40% anticipate scaling back other forms of extra help provided to students.



# Additionally...

As the current school year draws to a close, the district is dealing with the following...

Estimated health insurance program deficit as of 6/30/10:	- \$1,000,000
Estimated interest earnings deficit as of 6/30/10:	- \$ 250,000
State aid currently being withheld:	- \$3,306,420
State aid amount due to the district by June 30:	- \$5,447,737
Proposed freeze in 2009-10 state aid for special education based upon the Governor's January 19 estimates:	- \$ 176,381



# The 2010-11 proposed budget...

- Uses the Governor's budget proposal with a \$3.7 million cut in state aid.
- Uses \$2.9 million from reserves.
- Results in a proposed spending increase of approximately 0.34%. (A rollover budget would have resulted in a 4.6% spending increase.)
- Results in a proposed tax levy increase of approximately 2.0%.
- Assumes \$153,627 in savings as a result of the state's retirement incentive (attrition).
- Includes anticipated restoration of state aid; withdrawal of funds from Employee Benefit Accrued Liability Reserve (EBALR); carry-over of general fund revenue (BOCES aid and energy); and/or additional reductions of a total of \$1,144,901.



# Where the 2010-11 deficit comes from

<b>2010-11 Rollover Budget (↑4.6%)</b>	<b>\$71,634,341</b>
<b>2009-10 School Budget</b>	<b>- \$68,442,931</b>
<b>2010-11 Maximum Revenues</b> (using Governor's proposed budget, 2%↑ tax levy, and \$1 million of reserves)	<b>- <u>\$65,628,908</u></b>
<b>Total Deficit</b>	<b><u>\$6,005,433</u></b>



# Deficit reduction plan overview

Additional Utilization of Reserves	- 1,900,000
Proposed Reductions/Savings	- 2,806,905
55/25 NYS Retirement Incentive Savings (attrition)	- 153,627
Anticipated Restoration of State Aid, Withdrawal of funds from Employee Benefit Accrued Liability Reserve (EBALR), Carryover of General Fund Revenue (BOCES Aid & Energy), and/or Additional Reductions	- <u>1,144,901</u>
Total	- <u>\$6,005,433</u>

# Cost-savings

- **Eliminate 17 positions through attrition (anticipated retirements and resignations):**
  - 14 instructional positions (four elementary classroom positions, two music positions, two secondary social studies positions, two technology positions, one special education position, one foreign language position, one librarian position, and one teaching assistant position)
  - 3 non-instructional positions (two cleaning positions and one maintenance position)



**Savings of \$1,262,870**



# Program/office modifications

- Change garbage collection service
- Lower heat from 3:30pm-6am
- Eliminate food purchases and water coolers
- Eliminate BOCES GED program and middle/high school Alternative Education program.
- Eliminate Attendance Teacher.
- Eliminate Middle/Intermediate community resource officer.
- Eliminate outsourced tutoring for students on out-of-school suspension.
- Reduce technology expenditures and substitutes.
- Reduce funds for debt service, property tax refunds, legal services, and strategic plan.
- Reduce contingencies for BOCES, insurance, and federal programs.
- Not fund intramurals and assistant coaches for JV football, modified girls swimming, JV boys lacrosse, varsity outdoor track, and modified outdoor track.
- Not fund grade 3 and grade 5 chairpersons, high school social studies chairperson, district-wide library coordinator, and intermediate school AV coordinator (will be vacant through attrition).



**Savings of \$1,544,035**

# Total reductions/savings

Eliminated positions -\$1,262,870

Program and Service  
Modifications -\$1,544,035

**Total Savings -\$2,806,905**



***As of today, this budget scenario would result in no layoffs of district personnel in 2010-11 due to budget constraints. It would also result in no new programs or services in 2010-11.***



**Note: If these program modifications and position eliminations were not made, the \$6,005,433 deficit would require a 19.4% increase in the property tax levy.**

### **2010-11 Budget Proposal**

<b>Estimated Spending Increase:</b>	<b>0.34% (+\$230,878)</b>
<b>Estimated Tax Levy Increase:</b>	<b>2%</b>
<b>Estimated Total Budget:</b>	<b>\$68,673,809</b>

**Five-Year Budget Forecast:  
Budget Gap Projections (in millions of dollars)  
based on a 0.34% budget increase for 2010-11  
and 2.95% increase thereafter**

<b>School Year</b>	<b>Budget Increase (0.340% for 2010-11; 2.95% thereafter)</b>	<b>Maximum Anticipated Revenues</b>	<b>Total Budget Gap</b>
<b>2009-10</b>	<b>\$68.4</b>	<b>\$68.4</b>	<b>\$0</b>
<b>2010-11</b>	<b>\$68.6</b>	<b>\$65.6</b>	<b>\$3.0</b>
<b>2011-12</b>	<b>\$70.6</b>	<b>\$64.4</b>	<b>\$6.2</b>
<b>2012-13</b>	<b>\$72.7</b>	<b>\$64.4</b>	<b>\$8.3</b>
<b>2013-14</b>	<b>\$74.8</b>	<b>\$65.8</b>	<b>\$9.0</b>
<b>2014-15</b>	<b>\$77.0</b>	<b>\$66.8</b>	<b>\$10.2</b>

# Ten-year staffing and enrollment information

School Year	Employee Counts	Student Enrollment
2000-01	703	4504
2001-02	695	4550
2002-03	715	4462
2003-04	707	4368
2004-05	720	4339
2005-06	728	4336
2006-07	736	4333
2007-08	759	4314
2008-09	761	4342
2009-10	749	4408
<b>2010-11</b>	<b>732</b>	<b>?</b>

# Budget and tax history (percent increase/decrease)

The tax levy is the amount of money that the District needs to raise from the taxpayers in order to support the school programs after reviewing all other revenue sources. This is the only figure that the District controls in setting the tax rate.

\*The tax rate is determined by the apportionment process using the local assessor's property values and the NYS Real Property's equalization rates, which are finalized in early August. The Horseheads district includes seven municipalities, each with its own reassessment schedule and equalization rate.

	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Spending	6.09%	8.94%	4.3%	3.47%	8.32%	4.81%	4.7%	4.95%	2.95%	0.34%
Tax Levy	10.14%	7.78%	13.29%	6.81%	4.73%	6.75%	1.91%	1.91%	1.72%	2.00%
Tax Rate	0.99%	3.43%	8.57%	3.81%	1.74%	0.05%	-3.49%	-4.4%	-.078%	?*

# Thank you for attending...



# Questions?