

Community Budget Workshop

Erin Town Hall

February 5, 2015

Preliminary 2015-16 School Budget



Horseheads Central School District

The business of educating children...difficult times, difficult decisions. 

Horseheads Central School District Reserve Fund Report

Per the New York State Education Department, the following reserve funds are available to school districts. The date above the totals refer to the date of the annual external audit. These are the amounts in each fund as of the end of the fiscal year as indicated above the totals. “Not established” means the district does not have this type of reserve fund.

Reserve Fund Report

1. Capital Reserve (Education Law, Section 3651)

The Capital Reserve Fund is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of reserve, the ultimate amounts, its probable term, and the source of the funds. An expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted in the General Fund. (A 878)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$1,338,468	\$1,351,477	\$1,358,136	\$1,364,050	\$717,277	\$17,670	\$17,693

2. Repair Reserve (GML, Section 6-d)

The Repair Reserve Fund is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (See Opinion of the State Comptroller 81401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted in the General Fund. (A 882)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$131,207	\$147,621	\$161,325	\$174,693	\$180,457	\$191,637	\$6,850

Reserve Fund Report

3. Workers' Compensation Reserve (GML, Section 6-j)

The purpose of this reserve fund is to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted in the General Fund (A 814).

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$277,147	\$278,342	\$278,874	\$279,420	\$279,961	\$280,525	\$280,890

4. Unemployment Insurance Reserve (GML, Section 6-m)

This reserve fund is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the employer elects to convert to tax (contribution) basis, excess of fund over sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted in the General Fund. (A 815).

Not established

Reserve Fund Report

5. Reserve for Tax Reduction (Education Law, Section 1604 (36); (Education Law, Section 1709 (37))

This reserve is for the gradual use of the proceeds of the sale of school district real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the district is permitted to retain the proceeds of the sale for a period not to exceed ten years and to use them during that period for tax reduction. This reserve is accounted in the General Fund. (A 891)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$677,288	\$610,286	\$463,110	\$314,534	\$240,531	\$165,903	\$91,056

6. Mandatory Reserve for Debt Service (GML, Section 6-I)

Upon the sale of district property that was financed by obligations, which remain outstanding at the time of sale, a reserve must be established for the purpose of retiring the outstanding obligations. The funding of the reserve is from the proceeds of the sale of district property or capital improvement. This reserve is accounted in the Debt Service Fund. (A, V 884)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$3,434,899	\$3,520,221	\$3,539,368	\$3,562,391	\$3,780,892	\$3,791,812	\$3,799,088

Reserve Fund Report

7. Insurance Reserve (GML, Section 6-n)

This reserve is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law, e.g., Unemployment Compensation Insurance. This reserve may be established by board action and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted in the General Fund. (A 863)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$59,817	\$60,116	\$60,279	\$60,393	\$60,631	\$60,753	\$60,832

8. Property Loss Reserve (Education Law, Section 1709 (8)(c), and Liability Reserve (Education Law, Section 1709 (8)(c))

These reserve funds are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted in the General Fund.

Not established

Reserve Fund Report

9. Tax Certiorari Reserve (Education Law, Section 3651.1-a)

Chapter 588 of the laws of 1988 amended Section 3651 of the Education Law to permit the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The new chapter further stipulates that the total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any monies deposited to such a reserve fund which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted in the General Fund. (A 864)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$1,789,226	\$1,811,482	\$2,420,952	\$1,832,663	\$1,876,678	2,092,984	\$1,085,710

10. Reserve for Insurance Recoveries (Education Law 1718 (2))

This account is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held here pending action by the board of education on their disposition. This account will not be used if the insurance recovery is expended in the same fiscal year it was received. This reserve is accounted in the General Fund. (A 887)

Not established

Reserve Fund Report

11. Reserve for Encumbrances (A 821)

The balance of this account represents the amount of outstanding encumbrances at the end of the fiscal year.

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$1,570,029	\$1,484,666	\$1,164,216	\$90,938	\$75,247	\$26,010	\$221,886

12. Reserve for Inventory (A 845)

The purpose of this account is to limit the maximum investment in inventory and to restrict that portion of fund balance, which is not available for appropriation.

Not established

Reserve Fund Report

13. Reserve for Employee Benefit Accrued Liability (GML 6-p)

The purpose of this account is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of the employee's service. This reserve fund may be established by a majority vote of the board of education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund (A 830)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$11,757,608	\$11,863,025	\$11,952,459	\$10,946,977	\$4,886,570	\$3,495,181	\$1,915,870

14. Reserve for Retirement Contribution (ERS only)

6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
\$495,716	\$501,600	\$504,072	\$505,932	\$507,587	\$508,610	\$2,209,274

Reserve Fund Report

15. Unreserved-Designated Fund Balance Reserves

	6/30/08	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14
Liability Account Adjustment	\$6,909,681	--	--	--	--	--	
Subsequent Year's Expenditures	\$995,000	\$3,128,000	\$3,128,000	\$5,295,000	\$5,000,000	\$6,000,000	\$5,000,000
Retirement Incentives	--	\$1,400,000	\$1,400,000	\$994,750	\$994,750	\$994,750	\$2,028,317
Transp/Tech	--	\$2,413,594	\$2,413,594	\$2,413,594	\$3,891,510	\$4,738,647	\$5,838,647
Retirement of School Bonds	--	--	--	\$1,600,000	--	--	--
Gap Elimination					\$5,048,275	\$3,761,525	\$2,827,958
Undesignated Fund Balance (4% state maximum)	\$2,588,609	\$2,320,942	\$2,630,804	\$2,777,130	\$2,780,467	\$2,879,781	\$2,865,375

Where have we been since 2008?

We are in the seventh year of the economic downturn in our country and state. The Horseheads district has been working for the last seven years to combat the downturn while continuing to provide our children with a quality education.

Previous reductions

May 2009

- 15% reduction in all building/department budget allocations
- Eliminated 13 positions through attrition (retirements and resignations)
- Restructured Educational Support Center Office (replaced three positions with two)
- Took back two special education classes from BOCES
- Eliminated BOCES labor relations service
- Eliminated Student Transition and Recovery (STAR) Program
- Eliminated one BOCES GED teacher
- Reduced contract teacher substitute pay from \$100 to \$75 per day
- Automated substitute registry through BOCES
- Eliminated curriculum mapping facilitator stipends
- Lowered temperature from 72 to 68 degrees in classrooms/offices
- No appliances in classrooms

Total reductions: \$2,299,659

Previous reductions

May 2010

- Eliminated 17 positions through attrition (retirements and resignations)
- Changed garbage collection service
- Lowered heat in buildings, 3:30pm to 6am and throughout weekends
- Eliminated food purchases and water coolers (not drinking fountains)
- Eliminated BOCES GED and Alternative Education programs
- Eliminated Attendance Teacher and MS/IS Community Resource Officer
- Eliminated outsourced tutoring for out of school suspension
- Defunded K-12 intramurals and assistant coaches - JV football and boys lacrosse; modified girls swimming and outdoor track; varsity outdoor track
- Reduced technology and substitute expenditures
- Reduced funds for debt service, property tax refunds, legal services, and strategic plan
- Reduced contingencies for BOCES, insurance, and federal programs
- Defunded chairperson positions vacant through attrition: grades 3, 5 and high school social studies; district-wide library, high school guidance, and intermediate audio-visual coordinators.

Total reductions: \$2,806,905

Previous reductions

May 2011

- Reduced building/department budgets by approximately 22.5%
- Eliminated approximately 70 positions (26 through layoffs and 44 through retirements/resignations)
- Reduced three-year teacher mentor program to one year
- Defunded department chairs, grade level chairs, and team leaders
- Reduced special area instruction (art, library, music, physical education) and computer lab supervision
- Phased out German instruction after the 2011-12 school year
- Defunded approximately 25 extra-curricular stipends, grades K-12
- Eliminated freshmen athletic teams and combined sports with two teams into one: 7th and 8th grade boys' and girls' basketball, boys' soccer, and girls' volleyball
- Reduced BOCES instructional technology services
- Eliminated Extended School Year Principal position

Total reductions: \$4,203,912

Previous reductions

May 2012

- Replaced 14 positions (open due to retirements) at lower salaries
- Eliminated 7 positions (open due to retirements)
- Eliminated 3 unfilled teaching assistant positions
- Reduced cost for unemployment insurance, medical reimbursement accounts (HR 105), and workers compensation
- Retired bus debt and school construction debt

Total reductions: \$1,688,676

Previous reductions

May 2013

- Replaced 8 positions (open due to retirements) at lower salaries
- Eliminated 9 positions (open due to retirements)
- Eliminated 16 positions (layoffs)
- Reduced building/department budgets 25%

Total reductions: \$1,979,333

Previous reductions

May 2014

- Replaced 21 positions (open due to retirements) at lower salaries
- Eliminated one administrator position (open due to retirement)
- Retired bus bond debt
- Reduced construction debt payments
- Reduced capital appropriations

Total Reductions: \$1,382,065

Reductions since May 2009

May 2009	\$2,299,659
May 2010	\$2,806,905
May 2011	\$4,203,912
May 2012	\$1,688,676
May 2013	\$1,979,333
May 2014	\$1,382,065
Total	\$14,360,550

In 2011, New York State passed legislation establishing a property tax cap.

The property tax cap law establishes a tax levy limit for each school district. The tax levy limit allows school districts to increase their property tax levy from one year to the next by two percent or the rate of inflation, whichever is less, based on a multi-step formula.

School districts are then allowed to take certain exemptions that may boost their tax levy limits to more than two percent or the inflation rate.

Preliminary Property Tax Levy Cap Calculations

as of 2/5/15

NYS Comptroller's Property Tax Cap Form (Chapter 97 of the Laws of 2011)

Tax Levy Limit (Cap) Before Exclusions:

Tax Levy Fiscal Year Ending (FYE) 6/30/15	\$35,114,955
Tax Base Growth Factor (per state)	<u>x 1.0113</u>
	\$35,511,754
PILOTS Receivable FYE 6/30/15	<u>+ \$1,025,983</u>
	\$36,537,737
Capital Tax Levy for FYE 6/30/15	<u>- \$810,015</u>
	\$35,727,722
Allowable Levy Growth Factor (1.62%)	<u>x 1.0162</u>
	\$36,306,510
PILOTS receivable FYE 6/30/16	<u>- 982,676</u>
Total Tax Levy Limit Before Exclusions	\$35,323,834

continued

Property Tax Levy Cap Calculations, continued

Exclusions:

Capital Tax Levy for FYE 6/30/16		\$518,540
Tax Levy Necessary for Pension Contribution Expenditures caused by growth in the system average actuarial contribution rate (ERS) or normal contribution rate (TRS) in excess of 2 percentage points:		
Employees Retirement System (ERS)	+	\$0
Teachers Retirement System (TRS)	+	\$0
Total Exclusions		\$518,540

continued

Property Tax Levy Cap Calculations, continued

Total Tax Levy Limit Before Exclusions	\$35,323,834
Total Exclusions	<u>+ \$518,540</u>
Total Tax Levy Limit	\$35,842,374
2015-16 Property Tax Levy Limit	\$35,842,374
2014-15 Property Tax Levy	- <u>\$35,114,955</u>
Proposed Increase, 2015-16 school year	\$727,419

Proposed Property Tax Levy Percentage Increase	2.07%
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Property Tax Freeze

The Property Tax Freeze Credit is a two-year tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences.

This year, the district's budget was within the state's property tax cap; as a result, homeowners eligible for the STAR exemption received a check from the state in October for a portion of their school taxes.

In the second year (2015-16), the district must comply with the tax cap and submit an efficiency plan to the state by June 1, 2015 in order for homeowners to receive the reimbursement. The district is on track to submit the efficiency plan on time.

Property Tax Credit

On January 21, Governor Cuomo proposed a \$1.7 billion plan to provide property-tax credits by tying taxes to household income.

The program would be phased in over four years and provide credits to eligible homeowners. The program would provide credits to homeowners who make less than \$250,000 annually and whose property tax is more than 6 percent of their income. All municipalities must be compliant with the tax cap in order for homeowners to receive the tax credits.

Funding of public schools in New York State

New York State public school districts receive the majority of their funding from two sources – state aid and property taxes.

In the current school year, state aid to the Horseheads district is below 2008 levels.

State Aid

Governor Cuomo released his 2015-16 Executive Budget proposal January 21. The proposal included an increase in overall school aid of \$1.06 billion (4.8%) over the 2014-15 levels.

This increase is contingent upon the Legislature adopting the reforms proposed by the Governor. If the Legislature fails to agree to the proposed reforms, the Governor has stated that the school aid increase would drop to \$377 million (1.7%) to cover categorical reimbursement aid for transportation, BOCES and building.

At this time, the State has said there will not be a release of school aid runs until an agreement is reached, most likely around the start of the state fiscal year, April 1.

State Aid Projection

as of 2/5/15

If the Legislature adopts the reforms presented by Governor Cuomo:

Increase of \$1.06 billion – or 4.8% – in state aid across the state.

If the Legislature does not adopt the reforms presented by Governor Cuomo:

State aid will remain flat at 2014-15 level except for categorical aid (BOCES, building, and transportation), amounting to \$377 million or 1.7%.

State Aid Breakdown

	2014-15 Legislative budget approved 3/28/14	Executive Proposal State Aid for 2015-16
Foundation Aid	\$20,581,183	
BOCES	\$4,177,109	
High Cost Excess Cost	\$667,438	
Private Excess Cost	\$ -	
Hardware & Tech	\$76,425	
Software, Library & Text	\$351,604	
Transportation	\$2,578,839	
Supplemental Excess Cost	\$50,827	
Gap Elimination Adjustment	\$(2,827,958)	
Building Aid	\$2,914,228	
Total General Fund Aid	\$28,569,695	
UPK	\$371,608	
Total State Aid	\$28,941,303	
Increase (Decrease)		
% Increase (Decrease)		

These figures are unknown – no state aid runs until Legislature approves budget (deadline is April 1)

Revenue Projections

as of 2/5/15

State Aid	\$28,941,303
Preliminary Maximum	
Property Tax Levy	\$35,842,374
Use of reserve funds	\$?
Other Sources*	<u>\$ 2,701,903</u>
Total Revenue (as of 2/5/15)	\$67,485,580

Note: For the current school year, the district assigned \$5,000,000 from district fund balance.

* "Other" includes rent, interest earnings, gate receipts, donations.

Budget Considerations

At tonight's budget workshop, board members will consider the addition of the following to the proposed 2015-16 budget:

Consideration	Reasoning	Amount
Technology Capital Project - Phase II: Middle/Intermediate Complex	Middle/Intermediate School data rooms, cabling, wireless, and security; to be paid from district Transportation/Technology committed fund balance established in 2009. Note: Phase I at the High School will be paid for by the Smart Schools Bond Act.	\$2,406,052
Addition of One High School STEM Teacher	To meet demand and student interest in STEM related courses, e.g. 23 students signed up for ACE Graphics for Engineers last year but the class was canceled due to lack of staffing.	\$72,863
Redesigned/Restructured Grade Level and Department Teacher Leaders	Increase communication methods, more collaboratively implement curriculum initiatives across the district and provide more consistent opportunities to establish a common vision.	\$121,850

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Instructional/Literacy Coaches (4 people/4 days each) (BOCES)	Increase BOCES Curriculum Mentor Team to focus on implementing professional development offerings and job-embedded coaching support for teachers to ensure highly effective literacy instruction and student achievement across the district. Estimated BOCES aid \$199,620.	\$407,388
Addition of Three Pre-Kindergarten Teachers and Three Teaching Assistants	Increase district-based pre-k opportunities - will be offset by \$129,308 in UPK grant funds currently allocated to YMCA.	\$315,764
Technology, Equipment, and Supplies for Three Pre-K Classrooms	One interactive whiteboard, one laptop, one desktop w/monitor, one document camera for each new classroom – estimated BOCES aid \$10,260; furniture for three classrooms, including teacher desks, student desks, tables, reading area furniture, etc.	\$48,900

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
ASD Consultant Teacher at the Middle/Intermediate and High Schools	Section 200.6 of the Continuum of Services regulation states student numbers shall not exceed 20. In September 2015, there is a potential of 23 students starting at the Middle/Intermediate school and 20 at the High School.	\$72,863
Registered Nurse Contract Substitute	Shortage of substitute nurses. Last year, the district had to pull the RN assigned to the private schools 10 times.	\$45,830
Increase Itinerant Special Education Supervisor from 0.2 to 0.4	Allow BOCES Special Ed Supervisor time to support parents and staff, conduct student observations, follow up with phone calls, etc.; additional support also needed with the sunset of the IEP diploma and the new requirements of the new CDOS credential. Eligible for excess cost aid.	\$18,360
Increase BOCES Occupational Therapy Services by 0.4 FTE	Increase in students needing OT support, with a focus on early intervention to provide services early to avoid classifying students. Eligible for excess cost aid.	\$47,469

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Relocation of Softball Field at the Broad Street Building	<ul style="list-style-type: none"> - Relocation due to potential sale of Broad Street building. - The district has access to the current softball field until 2019 under the terms of sale for the Broad Street building. - In order for the project to be eligible for state aid, it must be related to interior capital construction in an instructional building or bus garage. - The project would require State Education Department approval, which can take up to one year. - Work could potentially begin in 2016-17 at the earliest and be ready for use in 2018. 	\$500,000

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Addition of One Cleaner	Significant square-footage-to-cleaner ratio at the Middle/Intermediate School complex and High School compared to the other buildings – it is difficult for cleaners to adequately clean these two buildings. Square footage per cleaner is approximately 21,000-25,000 in the elementary buildings, while the square footage per cleaner is nearly 30,000 in Intermediate/Middle and 33,000 at High School.	\$48,326
Four Transportation Vehicles	Replacement of one 1999 service truck, one 2003 SUV, and two 2005 vans. Each vehicle is experiencing performance issues and/or has rusting on the undercarriage. Two replacement vans are aidable as they will be used for student transportation.	\$102,817
Director of Athletics and Physical Education	Increase from 2.5 days to 5 days per week - total estimated cost \$132,304; offset by \$68,250 currently budgeted.	\$64,054

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Two Additional Days of Instructional Technology Support (BOCES)	Fulfill increasing demand for additional technology support in the classroom – estimated BOCES aid \$30,504.	\$49,200
Additional ESL teaching position (BOCES)	English Language Learner (ELL) population increasing; the district is not currently in compliance with meeting ELL students' needs due to student/staff ratio; additional regulations in effect in the 2015-16 school year; NYSED focus on ELL success as a top priority. Eligible for excess cost aid.	\$69,646
Leveled Literacy Intervention Expansion – Grades K, 3-4	Expand beyond grades 1-2; literacy skills continue to be the greatest area for academic improvement in the elementary schools. The program and materials are used with the most at-risk literacy students.	\$50,000
Affordable Care Act Consultant	Assist district with new requirements, daily questions, IRS regulations, BC/BS administration. Penalties are significant if noncompliant.	\$33,000
Total		\$4,474,382

Preliminary Expense Projections

as of 2/5/15

Total School Budget:	Amount	Increase Over 2014-15 Budget*	Percentage Increase
Preliminary 2015-16 Budget With No Considerations	\$73,339,321	\$1,054,444	1.46%
Preliminary 2015-16 Budget With All Considerations	\$77,813,703	\$5,528,826	7.65%

*The 2014-15 voter-approved budget is \$72,284,877.

Budget Breakdown

Budget Category	2014-15 Adopted Budget	2015-16 Proposed Budget	Dollar Change	Percent Change
Board of Education/Central Admin	1,454,910	1,529,998	75,088	5.16%
BOCES	10,119,487	11,876,957	1,757,470	17.37%
Instruction	26,599,470	28,162,242	1,562,772	5.88%
Facility	3,379,531	3,545,849	166,318	4.92%
Technology	223,399	204,006	(19,393)	-8.68%
Transportation	2,576,820	3,675,975	1,099,155	42.66%
Benefits	24,277,104	22,306,886	(1,970,218)	-8.12%
Debt Service	2,540,156	2,358,738	(181,418)	-7.14%
Transfers to Capital and Special Aid	1,114,000	4,153,052	3,039,052	272.81%
Totals	\$72,284,877	\$77,813,703	\$5,528,826	7.65%

2015-16 Proposed School Budget

as of 2/5/15

	Preliminary 2015-16 Budget With No Considerations	Preliminary 2015-16 Budget With All Considerations
Total Expenses	\$73,339,321	\$77,813,703
Total Revenues	\$67,485,580	\$67,485,580
Deficit	\$5,528,826	\$10,328,123

Note: For the current school year, the district assigned \$5,000,000 from district fund balance.

Preliminary List of Propositions on the Ballot May 19

Proposition 1: Proposed 2015-16 Budget

Proposition 2: Technology Capital Project Phase II

Shall the Board of Education be authorized to spend from unappropriated reserves a sum not to exceed \$2,500,000 to refurbish the Middle School/Intermediate School Complex for the purposes of upgrading building and room security and upgrading technology and technology connectivity?

Proposition 3: Establishment of a Capital Reserve Fund

Shall the Board of Education establish a capital reserve fund under the provisions of Education Law §3661(1)? The purpose of the fund is for construction, repair and reconstruction of capital improvements and the acquisition of equipment. The ultimate amount of the fund shall be \$10,000,000. The probable term shall be ten years. The source from which funds will be obtained can include any or all of the following: Unappropriated fund balances from the general fund as determined by the Board of Education; State Aid related to expenditures from the capital reserve fund; interest income related to investment of monies in the fund; and any other additional monies thereafter authorized by the voters of the District.

Please note: The purchase of seven buses has been included in the proposed 2015-16 budget at an estimated cost of \$875,000; therefore, there will not be a separate proposition.

Five-Year Budget Projection and History as of 2/5/15

	Actual			Projected	Budgeted	Budgeted from 2015-16 Tentative Budget			
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Property Tax Levy	\$32,312,697 (↑ 4.45%)	\$33,548,079 (↑ 3.82%)	\$34,530,132 (↑ 2.93%)	\$35,114,955 (↑ 1.72%)	\$35,842,374 (↑ 2.07%)	\$36,559,221 (↑ 2%)	\$37,290,406 (↑ 2%)	\$38,036,214 (↑ 2%)	\$38,796,938 (↑ 2%)
State Aid	\$25,674,894 (↓ 1.18%)	\$26,517,410 (↑ 3.28%)	\$28,048,419 (↑ 5.97%)	\$28,654,899 (↑ 3.08%)	\$28,569,695 (↑ ?%)	\$29,141,089 (↑ 2%)	\$29,723,911 (↑ 2%)	\$30,318,389 (↑ 2%)	\$30,924,757 (↑ 2%)
Fund Balance and Reserves	0	0	0	\$5,000,000	?	?	?	?	?
Other Revenue	\$3,817,347	\$3,673,473	\$3,615,218	\$3,515,023	\$3,403,583	\$3,073,511	\$3,073,511	\$3,073,511	\$3,073,511
Total Budget	\$63,915,070 (↑ 0.79%)	\$65,052,608 (↑ 1.78%)	\$66,946,557 (↑ 2.91%)	\$72,284,877 (↑ 0.90%)	\$77,813,703 (↑ 7.65%)	\$78,591,840 (↑ 1%)	\$79,377,758 (↑ 1%)	\$80,171,536 (↑ 1%)	\$80,973,251 (↑ 1%)
Actual/ Projected Deficit	\$(2,110,132)	\$(1,313,645)	\$(752,789)	\$(2,533,048)	\$(10,328,123)	\$(9,818,019)	\$(9,289,931)	\$(8,743,422)	\$(8,178,045)

Board Discussion and Questions

The business of educating children...difficult times, difficult decisions. 

Public Comments and Questions

The business of educating children...difficult times, difficult decisions. 

Any Further Board Discussion or Questions

Upcoming Dates

- February 26 Board of Education Regular Meeting, Big Flats Elementary School, 6pm
- March 5 Board of Education Community Budget Workshop, Big Flats Community Center (476 Maple St, Big Flats), 6pm
- March 26 Board of Education Regular Meeting, Gardner Road Elementary School, 6pm
- April 9 Board of Education Community Budget Workshop, Broad Street School, 6pm
- April 13 Prospective Board of Education Member Informational Session, Multi-Media Center (High School), 7pm
- April 20 Board of Education Candidate Petitions due, Business Office, by 5pm

continued...

Upcoming Dates, continued

- April 22 Board of Education Regular Meeting, Ridge Road Elementary School, 6pm
- April 27 Budget Q&A Session, Horseheads American Legion (71 Old Ithaca Rd, Horseheads), 7pm
- May 4 Budget Q&A Session, Erin Town Hall, 7pm
- May 7 Public Hearing on the Proposed 2015-16 School Budget, Multi-Media Center, 6pm
- May 11 Board of Education Candidates' Forum, Multi-Media Center (High School), 7pm
- May 18 Budget Q&A Session, Big Flats Community Center, 7pm
- May 19 School Budget Vote/Board of Education Election, High School/Big Flats/Ridge Road, 7am-8pm**

Thank you for attending.

This presentation and other budget information are on the district website.

Go to www.horseheadsdistrict.com, look for Featured Links at the left of the page, and click on 2015-16 Budget Information.

