

Community Budget Workshop

Big Flats Community Center

March 5, 2015

Preliminary 2015-16 School Budget



Horseheads Central School District

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

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.

Summary of Reductions 2009-2014

- Eliminated **147 positions** (through retirements, resignations, and layoffs)
- Reduced department/building budgets 62.5%
- Reduced general education and foreign language instruction in grades 7-12 and special area instruction (art, music, physical education, library) in grades K-6
- Eliminated programs including Student Transition and Recovery (STAR) program, K-12 intramurals, German instruction, BOCES GED and Alternative Education programs, Middle/Intermediate School Resource Officer program, freshmen athletic teams
- Reduced total district budget by **more than \$14 million** in six years

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	<u>\$1,382,065</u>
Total	\$14,360,550

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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 3/5/15

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)

Gap Elimination Adjustment (GEA)

The Gap Elimination Adjustment (GEA) was first introduced for the 2010-11 fiscal year by former Gov. David Paterson as a way to help close New York's then \$10 billion budget deficit.

Under the legislation, a portion of the state's funding shortfall is divided among all school districts in New York based on a formula, and each district's state aid is then reduced according to that formula.

Since its implementation, the GEA has diverted more than \$9 billion in aid from schools across the state.

Gap Elimination Adjustment

Net Reduction in State Aid through GEA:

2010-2011	\$6,143,975
2011-2012	\$5,822,295
2012-2013	\$5,048,275
2013-2014	\$3,761,525
2014-2015	<u>\$2,827,958</u>
Total 5-year reduction	\$23,604,028

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.

The preliminary maximum tax increase under the tax cap for 2015-16 is 2.07%. This figure could change due to the softball field project, state aid runs, and PILOT agreements.

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.

Revenue Projections

as of 3/5/15

State Aid	\$28,569,695
Preliminary Maximum	
Property Tax Levy	\$35,342,374
Use of reserve funds	\$?
Other Sources*	<u>\$ 3,073,511</u>
Total Revenue (as of 3/5/15)	\$66,985,580

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 Additions

These additions to the proposed 2015-16 budget will bring the district into compliance with education law:

Addition	Reasoning	Amount
Addition of One English as a Second Language (ESL) Teaching Position (BOCES)	English Language Learner (ELL) population increasing; 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
Addition of One Autism Spectrum Disorder (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 are potentially 23 students starting at the Middle/Intermediate school and 20 at the High School.	\$72,863

continued

Budget Additions, continued

These additions to the proposed 2015-16 budget will bring the district into compliance with education law:

Addition	Reasoning	Amount
Addition of One 12:1:1 Position at the Intermediate School	The projected enrollment for the 12:1:1 classroom at the Intermediate School starting in September will be 13. The Part 200 regulation does not allow the district to write a variance at the start of the school year; therefore, an additional special education teacher would be required at the Intermediate School.	\$72,863
Increase BOCES Occupational Therapy Services by 0.4 FTE	Focus on early intervention providing initial services to avoid classifying students. With the increase of students needing OT support and to ensure compliance with attendance at CSE meetings, along with make- up OT sessions, it would be advantageous to increase OT support. Eligible for excess cost aid.	\$47,469

Budget Considerations

The following are considerations to add to the proposed 2015-16 budget:

Consideration	Reasoning	Amount
1. Addition of Three Pre-Kindergarten Teachers and Three Teaching Assistants; Technology, Equipment, and Supplies for Three Pre-K Classrooms	Increase district-based pre-k opportunities - will be offset by \$129,308 in UPK grant funds currently allocated to YMCA. 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.	\$364,664
2. 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

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
3. Addition of One High School STEM Teacher	To meet demand and student interest in STEM related courses. The High School has not been able to run any advanced engineering courses in the last two years. For example, 23 students signed up for ACE Graphics for Engineers last year, but the class was cancelled due to lack of staffing.	\$72,863
4. 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
5. 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
6. 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
7. Affordable Care Act Consultant	Assist district with new requirements, daily questions, IRS regulations, BC/BS administration. Penalties are significant if noncompliant.	\$33,000
8. 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

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Tax Collection Service - BOCES	Transfer of tax collection service to BOCES due to resignation of district tax collector. Cost of service will be offset by \$9,950 currently budgeted for in-district tax collection. Estimated aid \$11,805.	\$22,685
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
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

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
Increase Itinerant Special Education Supervisor from 0.2 to 0.4	Allow BOCES Special Education Supervisor time to support parents and staff, conduct student observations, follow up with phones 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
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
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
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

Budget Increase Per Addition/Consideration

2014-15 Budget: \$72,284,877

Consideration	Cost	2015-16 Tentative Total Budget	\$ Increase	% Increase	Resulting Deficit
Addition of One 0.4FTE Occupational Therapist (BOCES)	\$47,469				
ASD Consultant Teacher at MS/IS and HS	\$72,863				
Addition of One ESL Teacher (BOCES)	\$69,646				
Addition of One 12:1:1 Teacher at IS	\$72,863				
<u>7 Buses</u>	<u>\$875,000</u>				
Total	\$1,137,841	\$73,479,016	\$1,194,139	1.65%	\$(6,493,436)

Note: The considerations above would bring the district into compliance with education law.

continued

Budget Increase Per Addition/Consideration, continued

Consideration	Cost	2015-16 Tentative Total Budget	\$ Increase	% Increase	Resulting Deficit
Addition of Three Pre-Kindergarten Classrooms	\$364,664	\$73,843,680	\$1,558,803	2.16%	\$(6,858,100)
Leveled Literacy Intervention K, 3-4	\$50,000	\$73,893,680	\$1,608,803	2.23%	\$(6,908,100)
Addition of One STEM Teacher	\$72,863	\$73,966,543	\$1,681,666	2.33%	\$(6,980,963)
Relocation of Softball Field*	\$500,000	\$74,466,543	\$2,181,666	3.02%	\$(6,980,963)
Director of Athletics & PE**	\$64,054	\$74,530,597	\$2,245,720	3.11%	\$(7,045,017)
Transportation Vehicles	\$102,817	\$74,633,414	\$2,348,537	3.25%	\$(7,147,834)
Affordable Care Act Consultant	\$33,000	\$74,666,414	\$2,381,537	3.29%	\$(7,180,834)
Addition of One Cleaner	\$48,326	\$74,714,740	\$2,429,863	3.36%	\$(7,229,160)

* Increase in deficit is offset by increase in tax levy (the softball field increases tax cap calculation), resulting in a zero change to the deficit.

**Total cost \$132,304. 2015-16 budget amount offset by \$68,250 currently in 2014-15 budget for shared service with Elmira CSD.

Preliminary Expense Projections

as of 3/5/15

Total School Budget:	Amount	Increase Over 2014-15 Budget*	Percentage Increase
Preliminary 2015-16 Budget With Compliance-Related Budget Additions and Bus Purchase only	\$73,479,016	\$1,194,139	1.65%

*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	\$1,497,036	\$42,126	2.90%
BOCES	\$10,119,487	\$11,402,009	\$1,282,522	12.67%
Instruction	\$26,599,470	\$27,783,598	\$1,184,128	4.45%
Facility	\$3,379,531	\$3,492,556	\$113,025	3.34%
Technology	\$223,399	\$204,006	\$(19,393)	-8.68%
Transportation	\$2,576,820	\$3,573,158	\$996,338	38.67%
Benefits	\$24,277,104	\$21,920,915	\$(2,356,189)	-7.71%
Debt Service	\$2,540,156	\$2,358,738	\$(181,418)	-7.14%
Transfers to Capital and Special Aid	\$1,114,000	\$1,247,000	\$133,000	11.94%
Totals	\$72,284,877	\$73,479,016	\$1,194,139	1.65%

2015-16 Proposed School Budget

as of 3/5/15

	Preliminary 2015-16 Budget With Compliance-Related Budget Additions and Bus Purchase only
Total Expenses	\$73,479,016
Total Revenues	\$66,985,580
Deficit	\$6,493,436

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

Preliminary List of Propositions on the May 19 Ballot

Proposition 1: Proposed 2015-16 Budget

**Proposition 2: Technology Capital Project Phase II and
Relocation of Softball Field**

Proposition 3: Establishment of a Capital Reserve Fund

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 3/5/15

	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 (↑ 1.69%)	\$35,342,374 (↑0.65%)	\$36,049,221 (↑ 2%)	\$770,206 (↑ 2%)	\$37,505,610 (↑ 2%)	\$38,255,722 (↑ 2%)
State Aid	\$25,674,894 (↓ 1.18%)	\$26,517,410 (↑ 3.28%)	\$28,048,419 (↑ 5.77%)	\$28,381,835 (↑ 1.19%)	\$28,569,695 (↑0.66%)	\$29,141,089 (↑ 2%)	\$29,723,911 (↑ 2%)	\$30,318,389 (↑ 2%)	\$30,924,757 (↑ 2%)
Fund Balance and Reserves	0	0	0	0	?	?	?	?	?
Other Revenue	\$3,817,347	\$3,673,473	\$3,615,218	\$3,293,722	\$3,073,511	\$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%)	\$69,323,560 (↑3.55%)	\$73,479,016 (↑1.65%)	\$74,213,806 (↑ 1%)	\$74,955,944 (↑ 1%)	\$75,705,504 (↑ 1%)	\$76,462,559 (↑ 1%)
Actual/ Projected Deficit	\$(2,110,132)	\$(1,313,645)	\$(752,789)	\$(2,533,048)	\$(6,493,436)	\$(5,949,985)	\$(5,388,317)	\$(4,807,994)	\$(4,208,569)

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

- April 9 Board of Education Community Budget Workshop, Broad Street, 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, 5pm
- April 22 Board of Education Regular Meeting, Ridge Road, 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.

