

Community Budget Workshop

Broad Street School Building

April 9, 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

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.

The 2015-16 state budget restores approximately 64% of the district's GEA for 2015-16.

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	\$2,827,958
2015-2016	\$1,024,830
Total 6-year reduction	\$24,628,858

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 4/9/15

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

Property Tax Levy Cap Calculations, continued

Exclusions:

Capital Tax Levy for FYE 6/30/16		\$0
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		\$0

Property Tax Levy Cap Calculations, continued

Total Tax Levy Limit Before Exclusions	\$35,323,834
Total Exclusions	<u>+ \$0</u>
Total Tax Levy Limit	\$35,323,834
2015-16 Property Tax Levy Limit	\$35,323,834
2014-15 Property Tax Levy	- <u>\$35,114,955</u>
Proposed Increase, 2015-16 school year	\$208,879

Proposed Property Tax Levy Percentage Increase	0.59%
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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.

State Aid

The 2015-16 New York State Education Budget includes a \$1.3 billion increase in formula-based state education aid statewide. The increase for Horseheads is approximately \$2.4 million, or 8.43%.

The increase also includes a partial restoration of GEA funds. For Horseheads, the restoration is approximately \$1.8 million.

For 2015-16, state aid increases are tied to teacher evaluations. Districts must negotiate the optional components of the evaluations with their local unions, and each district must submit a plan for state approval by November 15. If the plan is not submitted and approved, the district will lose their state aid increase.

State Aid Breakdown

	2014-15 Legislative Budget approved 3/28/14	2015-16 Legislative Budget approved 3/30/15	Dollar Change	Percentage Change
Foundation Aid	\$20,581,183	\$20,657,333	\$76,150	0.37%
BOCES	\$4,101,404	\$4,466,480	\$365,076	8.90%
High Cost Excess Cost	\$749,623	\$664,571	-\$85,052	-11.35%
Hardware & Tech	\$75,888	\$73,635	-\$2,253	-2.97%
Software, Library/Text	\$349,469	344,937	-\$4,532	-1.30%
Transportation	\$2,607,310	2,619,961	\$12,651	0.49%
Supplemental Excess Cost	\$50,827	\$50,827	\$0	0%
Gap Elimination Adjustment	-\$2,827,958	-\$1,024,830	\$1,803,128	-63.76%
Building Aid	\$2,819,284	\$3,088,583	\$269,299	9.55%
Total General Fund Aid	\$28,507,030	\$30,941,497	\$2,434,467	8.54%
UPK	\$371,608	\$371,608	\$0	0%
Total State Aid	\$28,878,638	\$31,313,105	\$2,434,467	8.43%

Revenue Projections

as of 4/9/15

State Aid	\$30,652,126
Preliminary Maximum	
Property Tax Levy	\$35,323,834
Use of reserve funds	\$?
Other Sources*	<u>\$ 3,130,102</u>
Total Revenue (as of 4/9/15)	\$69,106,062

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

Addition	Amount
One English as a Second Language (ESL) Teaching Position (BOCES)	\$69,646
Autism Spectrum Disorder (ASD) Consultant Teaching Position at the Middle/Intermediate and High Schools	\$72,863
One 12:1:1 Teaching Position at the Intermediate School	\$72,863
0.4 FTE BOCES Occupational Therapist Position	\$45,640
Three Pre-Kindergarten Teaching Positions and Three Teaching Assistant Positions; Technology, Equipment, and Supplies (net cost)	\$235,356
One High School STEM Teaching Position	\$72,863
Director of Athletics and Physical Education Position (net cost)	\$51,665
Two Vans for Student Transportation	\$50,000
Affordable Care Act Consultant Position	\$33,000
One Cleaning Position	\$48,326
Tax Collection Service – BOCES (net cost – eligible for BOCES Aid)	\$12,735
Seven Buses	\$875,000

Budget Considerations

Consideration	Reasoning	Amount
Two Transportation Vehicles	Replacement of one 1999 service truck and one 2003 SUV. Each vehicle is experiencing performance issues and/or has rusting on the undercarriage.	\$60,000
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.	\$455,388 Aid: <u>-\$223,280</u> Net Cost: \$184,394
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 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

continued

Budget Considerations, continued

Consideration	Reasoning	Amount
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. This year, the district had to pull the RN assigned to the private schools and the BOCES RN at the Middle/High School 18 days; 26 days needed for extra help at the beginning of school; 16 days for kindergarten registration; 12 days for field trips; and 61 days for screenings and physicals.	\$45,830
Two Additional Days of Instructional Technology Support (BOCES)	Fulfill increasing demand for additional technology support in the classroom – estimated BOCES aid \$31,145.	\$50,234 <u>Aid: -\$31,145</u> Net Cost: \$19,089

Preliminary Expense Projections

as of 4/9/15

	Amount	Increase Over 2014-15 Budget*	Percentage Increase
Preliminary 2015-16 Budget	\$73,613,576	\$1,328,699	1.84%

*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 Administration	\$1,454,910	\$1,533,606	\$78,696	5.41%
BOCES	\$10,119,487	\$11,287,735	\$1,168,248	11.54%
Instruction	\$26,599,470	\$27,983,439	\$1,383,969	5.20%
Facility	\$3,379,531	\$3,496,936	\$117,405	3.47%
Technology	\$223,399	\$204,006	\$(19,393)	-8.68%
Transportation	\$2,576,820	\$3,652,747	\$1,075,927	41.75%
Benefits	\$24,277,104	\$21,849,369	\$(2,427,735)	-10.00%
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	\$73,613,576	\$1,328,699	1.84%

Proposed Reductions for 2015-16

- Replace nine positions (retirements) at \$207,965
 lower salaries
 - 3 Secondary Teachers
 - 1 Elementary Teacher
 - 1 Building Maintenance Mechanic
 - 1 Cleaner
 - 1 Senior Clerk Typist
 - 1 Social Worker
 - 2 Administrators
- Reduction in TRS/ERS contributions \$1,888,005
- Retirement of Bus Bond Debt \$172,019
- Reduction in Construction Debt Payments \$ 9,398

Total: \$2,277,387

2015-16 Proposed School Budget

as of 4/9/15

Total Expenses	\$73,613,576
Total Revenues	<u>-\$69,106,062</u>
Deficit	\$ 4,507,514

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

Proposed Use of Fund Balance and Reserves

Fund Balance	\$3,632,514
Committed Fund Balance - Transportation & Technology	<u>\$ 875,000</u>
Total use of fund balance/reserves:	\$4,507,514

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 4/9/15

	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	\$33,548,079	\$34,530,132	\$35,114,955	\$35,323,834 (↑0.59%)	\$36,030,311 (↑ 2%)	\$36,750,917 (↑ 2%)	\$37,485,935 (↑ 2%)	\$38,235,654 (↑ 2%)
State Aid	\$25,674,894	\$26,517,410	\$28,048,419	\$28,430,530	\$30,652,126 (↑8.43%)	\$31,265,169 (↑ 2%)	\$31,890,472 (↑ 2%)	\$32,528,281 (↑ 2%)	\$33,178,847 (↑ 2%)
Fund Balance and Reserves	0	0	0	0	?	?	?	?	?
Other Revenue	\$3,817,347	\$3,673,473	\$3,615,218	\$3,516,977	\$3,130,102	\$3,130,102	\$3,130,102	\$3,130,102	\$3,130,102
Total Expenses	\$63,915,070	\$65,052,608	\$66,946,557	\$69,580,114	\$73,613,576 (↑1.84%)	\$74,349,712 (↑ 1%)	\$75,093,209 (↑ 1%)	\$75,844,141 (↑ 1%)	\$76,602,582 (↑ 1%)
Actual/ Projected Deficit	\$(2,110,132)	\$(1,313,645)	\$(752,789)	\$(2,517,652)	\$(4,507,514)	\$(3,924,131)	\$(3,321,718)	\$(2,699,822)	\$(2,057,979)

New York State School Report Card for Fiscal Accountability – 2012-13

(most current data published by NYS)

Instructional Expenditures Per Pupil*

	General Education	Special Education
Horseheads Central Schools	\$8,494	\$19,438
Similar School Districts	\$10,266	\$29,257
New York State	\$11,260	\$29,922

* Per New York State, Instructional Expenditures are expenditures for classroom instruction plus a portion of building level administrative and instructional support expenditures. District expenditures, such as transportation, debt service, and district-wide administration, are not included.

Total Expenditures Per Pupil**

Horseheads Central Schools	Similar School Districts	New York State
\$15,763	\$19,721	\$21,118

** Per New York State, Total Expenditures Per Pupil include district expenditures for classroom instruction, transportation, debt service, and district-wide administration.

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.

