



Budget Presentation 2015-2016

April 8, 2015

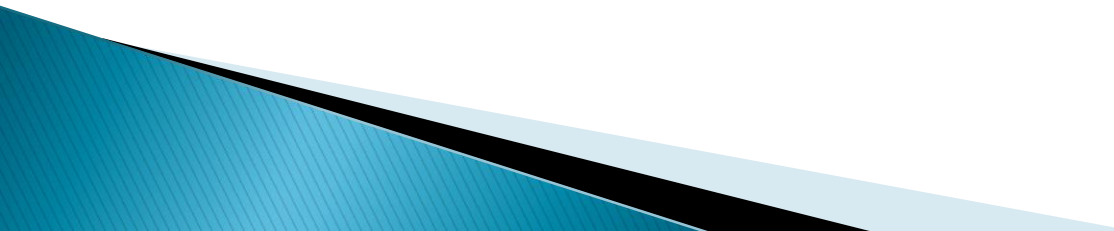
Silver Creek Central School District builds bridges with students linking today's learning to tomorrow's possibilities.



Second Draft

2015– 2016 Budget

Foundational Principles:

- **Adherence to Legal and Contractual Obligations**
 - **Transparent Process Involving all Stakeholders**
 - **A Disciplined and Proactive Approach**
 - **Focused on Preservation of Quality Program and Services**
 - **Review and Analyze Multiple Options and Scenarios**
 - **Sensitive to the Implications of Tax Cap Limits**
- 

NYS School Aid Projections

Governor said:

- ▶ 1.7% or \$377 Million increase (based on the growth cap tied to statewide personal income growth)

Or

- ▶ 4.8% or \$1.1 Billion increase

(Last Year Governor Announced – A 3.4 percent or \$722 million increase in School Aid for 2014–15 based on the growth cap tied to statewide personal income growth)

The Gap Elimination Adjustment Entire State

- ▶ NYS Budget will reduce GEA from \$1.036 billion to \$433 million (\$603 million)
- ▶ Governor continues to tout over \$2 billion surplus

The Gap Elimination Adjustment – Silver Creek

| School Year | GEA | GEA Restoration | Net GEA |
|-----------------------------|---------------|-----------------------------------|---------------|
| 2010–2011 | (\$981,086) | \$333,099 | (\$647,987) |
| 2011–2012 | (\$1,404,128) | \$84,634 | (\$1,319,494) |
| 2012–2013 | (\$1,167,893) | \$178,272 | (\$989,621) |
| 2013–2014 | (\$989,621) | \$397,081 | (\$592,540) |
| 2014–2015 | (\$420,527) | \$242,765 | (\$177,762) |
| | | Total 5 Year GEA Reduction: | (\$3,727,404) |
| Figures provided by QUESTAR | | | |

NYS Fiscal Crisis has led to:

- ▶ Program and Co-curricular Reductions
 - 16% Elimination/Reduction of staff positions
 - Increased Challenges of Common Core Learning Standards and Annual Professional Performance Review
 - 14% Elimination of administrative position
 - Approximate 800% increase in teacher evaluations
 - Principals as Instructional Leaders

Programs – Mandated Services

- ▶ 1.0 Kindergarten Teacher
- ▶ Special Education Teacher – Added 2nd Semester 2014–2015 (No budget increase)
- ▶ Special Education Teacher for 2015–2016
- ▶ Sharing Occupational Therapist with Dunkirk
 - Hire Certified Occupational Therapy Assistant
 - (No Budget Increase)

Programs – Mandated Services

AIS/Reading

- ▶ 1 AIS Teacher in Elementary (currently 5 teachers – were 9 teachers 4 years ago)
- ▶ 1 Reading Teacher in Middle School
- ▶ Additional Spanish Sections
 - High School – Add .5 Spanish Teacher (based on course requests)

Programs – Electives and Transportation

- ▶ High School – Add .5 ELA and 1.0 Technology Teacher (based on course requests)
 - ▶ Fills AIS/AIT needs
- ▶ 2 Additional Bus Monitors
 - One added to 2015–2016 Budget

Programs – Shift of Services

- ▶ Shared Director of Curriculum with Forestville
 - Do not renew .4 Staff Development co-ser
- ▶ Addition of Elementary School/Middle School Counselor

Technology

- ▶ .4 BOCES Technology Integrator
 - Added for 2nd half of 2014–2015
- ▶ .4 BOCES Technician
 - Added for 2nd half of 2014–2015

Unfunded Mandates

- ▶ ERS and TRS Contributions
- ▶ Costs associated with APPR
 - Training
 - Software
- ▶ Staff Development Training
 - Common Core Learning Standards
 - Cost of Modules

Financial Considerations

- ▶ \$365,020 appropriated from reserves for 2015–2016
 - \$145,000 from Retirement/Unempl/Wrk Comp Reserves
 - \$220,020 from Vehicle Reserve with voter authorization (\$110,010 per bus)
- ▶ Appropriate \$330,030 in 2015–2016 for three additional buses (Total of 5 large buses)
- ▶ Unappropriated Fund Balance
 - Recommendation for 2015–2016
 - Establish second Vehicle Reserve
 - 10 Busses at \$125,000 = \$1.25 million

Budget Must Be:

Sustainable



Responsible

Past and projected total grade enrollment

| Year | Enrollment |
|------|------------|
| 2013 | 1054 |
| 2014 | 1059 |
| 2015 | 1064 |
| 2016 | 1062 |
| 2017 | 1073 |
| 2018 | 1080 |
| 2019 | 1088 |
| 2020 | 1084 |
| 2021 | 1107 |
| 2022 | 1107 |
| 2023 | 1103 |



Revenue Sources – Increases

▶ State Aid – Estimates

- 1.7% Increase (not on BOCES, Trans Aid, Bldg Aid) = \$160,343
- 1.7% Increase (on all aid) = \$223,261
- 4.8% Increase (on all aid) = \$628,311

▶ State Aid – Actual

- 2.02% Increase on total aid = \$235,219
 - Does not include Building Aid used for capital project debt service costs

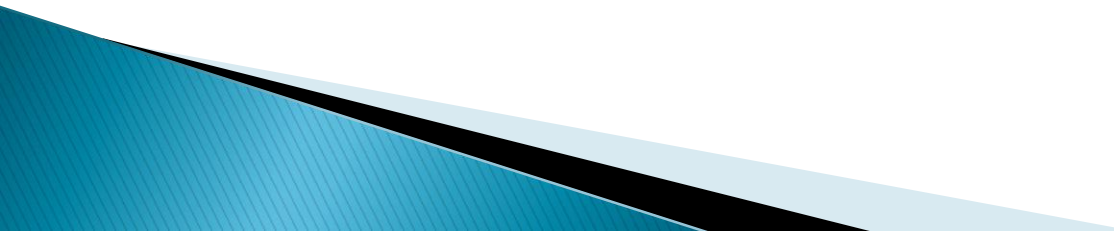
The Facts about the State Budget and Its Effect on Silver Creek's School Budget

- ▶ State Aid makes up 2/3 of our revenue.
 - Estimated aid (Budgeted) for 2014–2015 \$14,296,547
 - Estimated aid (Legislative Run) for 2015–2016 is \$14,022,596
- ▶ Projected decrease of 1.92% or (\$273,951) includes:
 - \$59,450 increase in Foundation Aid
 - \$99,279 increase in Transportation Aid
 - \$485,290 **decrease** in Building Aid
 - \$64,220 **decrease** in BOCES Aid
 - \$48,244 **decrease** in Excess Cost aids
 - \$4,347 **decrease** in Instructional Materials Aid
 - \$169,421 reduction of GEA (Foundation Aid)
 - 1.92% **decrease** from last year

NYS Funding

- ▶ Over the past five years the State has not met the commitment of the Education Budget and Reform Act of 2007 because of the Gap Elimination Adjustment.
- ▶ As a result, the poorest schools have been hurt the most. Based on the 2007 Foundation Aid Formula the Silver Creek Central School District is owed \$3,727,404 from the years 2010–2011 to 2014–2015.

Simply put, this is the first generation of students in New York State public schools who are receiving an educational experience which is less than the generation before them. We need our elected officials to eliminate the Gap Elimination Adjustment (GEA).



Budget Changes

Proposed Budget

| | |
|---------------------------------|--------------------|
| · Contractual | (\$105,638) |
| · Materials & Supplies | (\$24,147) |
| · Equipment & Buses | \$226,555 |
| · Salary | \$298,019 |
| · BOCES | \$301,146 |
| · Benefits | (\$527,163) |
| · Debt Service | \$82,843 |
| · Workshop Add Ons (Tech/Music) | \$85,015 |

Total Budget Changes

\$336,630

2015-2016 Cost-Drivers

| | <u>2014-2015</u> | <u>2015-2016</u> | <u>Change</u> | <u>Percent Change</u> |
|-----------------------------|------------------|------------------|---------------|-----------------------|
| Pension Benefits | \$1,817,920 | \$1,429,846 | (\$388,074) | -21.35% |
| Health Insurance | \$2,302,051 | \$2,206,347 | (\$95,704) | -4.16% |
| Contractual Salaries | \$9,561,667 | \$9,911,832 | \$350,165 | 3.66% |

Proposed Budget Comparison 2014–2015 vs. 2015–2016 3-Part Budget

| | 2014–2015 | 2015–2016 | Dollar Change | % Change |
|----------------|---------------------|---------------------|------------------|----------|
| Administration | \$2,123,956 | \$2,149,300 | \$25,344 | 1.19% |
| Capital | \$3,992,107 | \$4,191,965 | \$199,858 | 5.01% |
| Program | <u>\$16,330,981</u> | <u>\$16,442,408</u> | <u>\$111,427</u> | 0.68% |
| | \$22,447,040 | \$22,783,673 | \$336,629 | 1.50% |

Components of the 3 Part Budget

A Focus on Administration Component

| | | | |
|-------------------------------------|------------|---|--------------------|
| ▶ BOE/District | \$ 21,207 | ▶ School Assoc. Dues | \$ 10,100 |
| ▶ Supt. & Business Office | \$ 641,642 | ▶ Staff Development/ Instructional Support | \$ 55,480 |
| ▶ Legal | \$ 16,000 | ▶ BOCES Membership | \$ 134,679 |
| ▶ Auditing | \$ 25,000 | ▶ BOCES District-wide Applications & Support | \$ 95,919 |
| ▶ Insurance | \$ 82,196 | ▶ Share of Benefits | \$ 414,128 |
| ▶ Personnel/ Central Mailing | \$ 71,996 | ▶ Total | <u>\$2,149,300</u> |
| ▶ Curriculum Instruction Support | \$ 116,995 | | |
| ▶ Building Administration | \$ 463,958 | | |

Components of the 3-Part Budget

A Focus on Program Component

| | | | |
|---|--------------|----------------------------|---------------------|
| ▶ Teaching Regular School | \$ 5,880,609 | ▶ Co-Curricular Activities | \$ 70,498 |
| ▶ Program for Students with Disabilities | \$ 2,637,495 | ▶ Athletics | \$ 312,168 |
| ▶ Summer School | \$ 72,379 | ▶ Transportation | \$ 1,034,755 |
| ▶ School Library | \$ 204,902 | ▶ Legal | \$ 16,000 |
| ▶ Guidance / Social Work Psychological Services | \$ 566,167 | ▶ Share of Benefits | \$3,957,223 |
| ▶ Occupational Education – BOCES | \$ 501,503 | | |
| ▶ Health Services | \$ 104,324 | | |
| ▶ Computer Assisted Instr. | \$ 1,034,755 | ▶ Total | <u>\$16,442,408</u> |

Components of the 3-Part Budget

A Focus on Capital Component

| | |
|----------------------------------|---------------------|
| ▶ Operations of Plant | \$ 999,964 |
| ▶ Maintenance of Plant | \$ 120,252 |
| ▶ Transportation – Buses | \$ 647,342 |
| ▶ Employee Benefits | \$ 230,071 |
| ▶ Debt Service – Bonds | \$ 2,188,106 |
| ▶ Debt Service – BANS | \$ 0.00 |
| ▶ Equipment Leases Mail Meter | \$ 4,000 |
| ▶ Refund on Property Taxes | \$ 2,500 |
| ▶ Total | <u>\$ 4,191,965</u> |

Budget Comparison (continued)

| | <u>2014-2015</u> | <u>2015-2016</u> | <u>Dollar Change</u> |
|---------------------|----------------------|----------------------|----------------------|
| General Support | \$ 2,198,374 | \$ 2,214,425 | \$ 15,871 |
| Instruction | \$ 11,543,766 | \$ 12,074,208 | \$ 530,442 |
| Transportation | \$ 1,447,456 | \$ 1,682,097 | \$ 234,641 |
| Benefits | \$ 5,128,585 | \$ 4,601,422 | (\$ 527,163) |
| Debt Service | \$ 2,128,863 | \$ 2,211,706 | \$ 82,843 |
| Total Budget | \$ 22,447,044 | \$ 22,783,678 | \$ 336,634 |

Revenue Comparison

| | <u>2014-2015</u> | <u>2015-2016</u> | <u>Dollar Change</u> | <u>% Change</u> |
|---|---------------------|---------------------|----------------------|-----------------|
| State Aid | \$ 14,296,547 | \$ 13,123,831 | (\$ 1,172,716) | -8.20% |
| Tax Levy | \$ 5,777,850 | \$ 5,933,891 | \$ 156,041 | 2.70% |
| Native American Aid | \$ 786,967 | \$ 1,146,976 | \$ 360,009 | 45.75% |
| Other Revenue | \$ 351,908 | \$ 336,378 | (\$ 15,530) | -4.41% |
| Appropriated Fund Balance & Reserves | \$ <u>1,233,776</u> | \$ <u>2,242,602</u> | \$ <u>1,008,826</u> | 81.77% |
| | \$ 22,447,048 | \$ 22,783,678 | \$ 336,630 | 1.50% |

Debt Service

| Debt Service | 2014-2015 | 2015-2016 | \$ Change | % Change |
|----------------------|-------------|-------------|----------------|----------|
| Principal | \$1,768,350 | \$1,714,000 | (\$54,350) | -3.07% |
| Interest | \$360,513 | \$497,706 | \$137,193 | 38.05% |
| Total Debt Service | \$2,128,863 | \$2,211,706 | \$82,843 | 3.89% |
| Building Aid | \$2,677,102 | \$1,293,047 | (\$1,293,047) | -48.3% |
| Bldg Aid to Debt Svc | \$548,239 | (\$918,659) | (\$1,127,361) | |

Use of Fund Balance and Reserves

- ▶ Fund balance is a critical tool for any organization to plan for the unexpected
- ▶ Reserves are savings for specific, legally-designated purposes
- ▶ Neither reserves nor fund balance should be used to sustain long-term costs
- ▶ Using them requires
 - an “exit plan”
 - multiple-year planning
- ▶ Part of our 3-year planning process (10-year Reserve Plan)



Proposed 2015–2016 Reserve Allocation

Proposed Allocation from Reserves:

| | | |
|-----------------------|----|-----------------|
| EBALR | \$ | 0 |
| ERS | \$ | 120,000 |
| Unemployment | \$ | 10,000 |
| Worker's Compensation | \$ | 15,000 |
| Property Loss | \$ | 0 |
| Tax Certiorari | \$ | 0 |
| Capital Vehicle | \$ | <u>220,020*</u> |
| | \$ | 365,020 |

* Proposition Two – Two Large Buses

The school community cares about its schools and taxes



Tax Levy – 2015–2016

| | Levy Amount | Dollar Increase | Percent Increase |
|--|-------------|-----------------|------------------|
| 2014–2015 Tax Levy | \$5,777,850 | | |
| 2015–2016 Tax Levy | \$5,933,891 | \$156,041 | 2.7% |
| Levy Limit With Exclusions and Carryover | \$5,933,891 | \$156,041 | 2.7% |

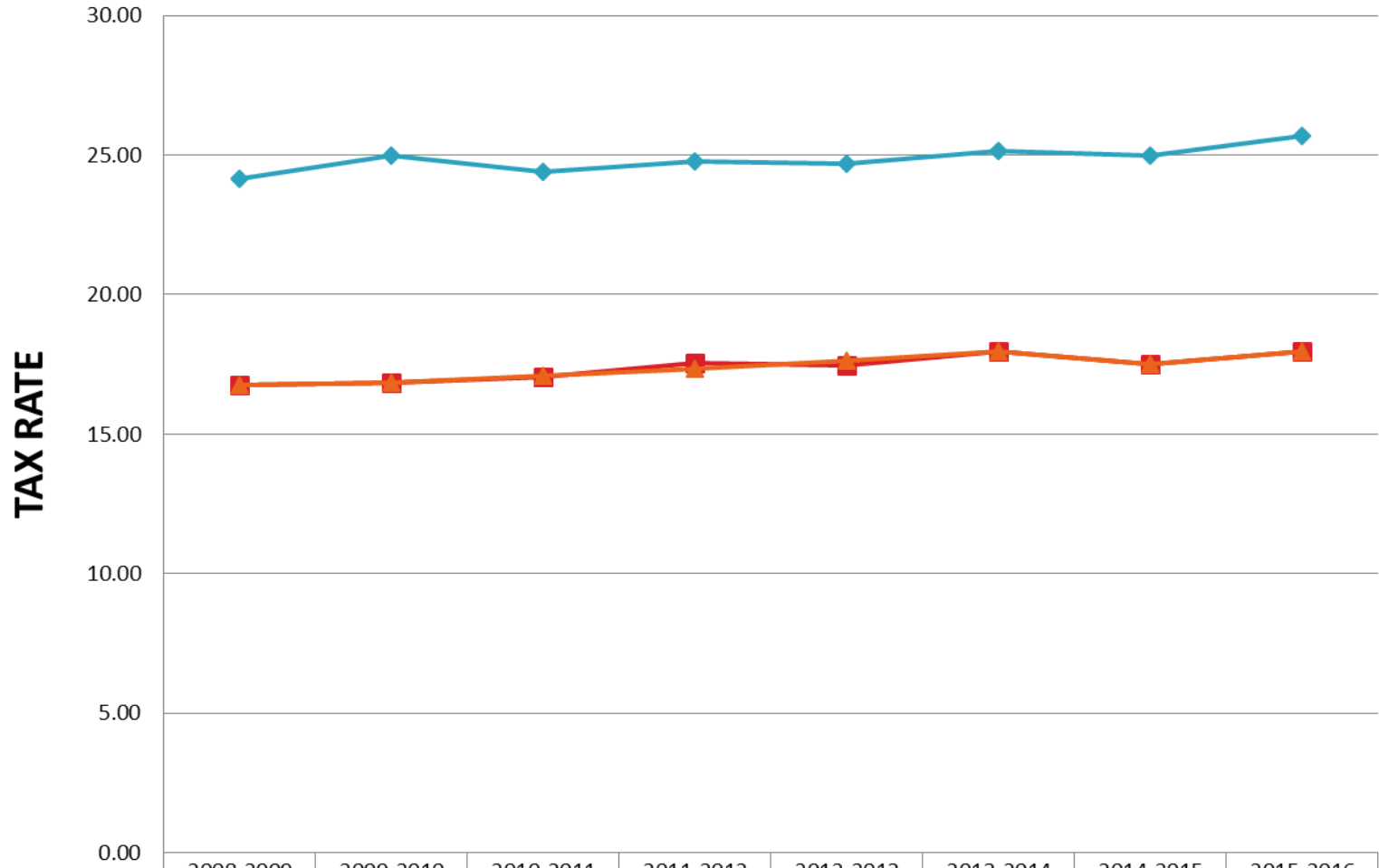
Budget & Estimated Tax Rate Impact 2014–2015 to 2015–2016

| | |
|------------------------------|--------------|
| Proposed Budget | \$22,783,678 |
| Budget to Budget increase | 1.50% |
| Proposed Tax Levy | \$ 5,933,891 |
| Total Tax Levy increase | \$ 156,041 |
| Proposed Tax Levy increase | 2.70% |
| Full Value Tax Rate increase | 2.74% |
| Full Value Tax Rate increase | \$0.48 |

2015–2016 Tax Rate Summary

- ▶ Estimated Full Value Tax Rate: \$17.98
 - 2.74% increase on full value tax rate from
 - 2014–2015 to 2015–2016
- ▶ \$0.48 increase on true value (100% valuation)
- ▶ Towns of Hanover and Brant are at 100%
 - For a \$60,000 home = \$28.80 increase
 - For a \$100,000 home = \$48.00 increase
- ▶ \$0.68 increase for Sheridan
(assumes 70% equalization rate)
 - For a \$60,000 home = \$40.80 increase
 - For a \$100,000 home = \$68.00 increase

EIGHT YEAR TAX RATE HISTORY



| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| —◆— Sheridan | 24.15 | 24.97 | 24.40 | 24.78 | 24.69 | 25.15 | 25.00 | 25.68 |
| —■— Brant | 16.78 | 16.86 | 17.07 | 17.53 | 17.45 | 17.96 | 17.50 | 17.98 |
| —▲— Hanover | 16.78 | 16.86 | 17.08 | 17.35 | 17.64 | 17.96 | 17.50 | 17.98 |

2015–2016 Budget Propositions

Prop. #1: Proposed Budget \$22,783,678

**Prop. #2: Authorization to expend \$220,020
from the Vehicle Reserve**

Voters have already established the vehicle reserve fund to help maintain our vehicle replacement schedule without increasing taxes.

It is important for voters to remember that authorizing this bus purchase will have a zero impact on our local tax levy.

2015–2016 Budget Propositions

Prop. #3: Authorization to establish a vehicle reserve in the amount of \$1,250,000 for the purpose of future bus purchases.

It is important for voters to remember that authorizing this bus vehicle reserve will have a zero impact on this and future tax levies.

2015-2016 Budget Vote

- ▶ **May 19th, 2015**
- ▶ **1:00 p.m. to 9:00 p.m.**
- ▶ **Voting to be held in the High School lobby**
- ▶ **Must be a qualified voter**
- ▶ **2 Board of Education Seats up for Election**





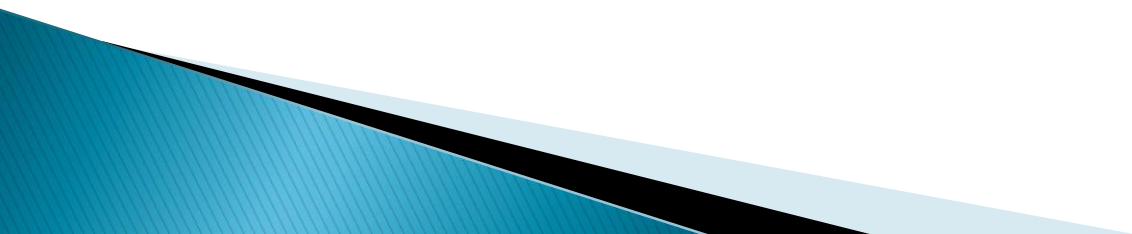
2015-16 Budget - Next Steps

- ▶ Utilize final state aid funding figures to:
 - Set levy
 - Determine appropriated fund balance

Questions? Comments? Ideas?



Thank you for
supporting our students!



Understanding NYS Funding

- ▶ In 2006 the Campaign for Fiscal Equity won a decision by the New York State of Appeals which confirmed that the state must provide its children with the opportunity for a sound education and provide essential resources to all public children.
- ▶ In 2007 the Governor and Legislature recognized their constitutional obligation to all children in the state with the passage of statewide funding reform (Education Budget and Reform Act of 2007). The law enacted a Foundation Aid Formula designed to ensure adequacy and equity in state school funding by establishing a relationship between state aid, the needs of students and a district's ability to raise revenue. It provided for a four-year phase-in of state aid to reach full funding of the formula.

2015–2016 Contingency Budget

- ▶ Tax Levy Limit legislation – if no budget approved, contingent budget may not include a levy higher than the prior year's levy. (i.e. 0% levy increase)
- ▶ All other previous contingency parameters remain
- ▶ Contingent budget – at 2014–2015 rate = \$5,661,824
- ▶ SCCS Contingent Budget = \$22,291,018
- ▶ Contingent Budget requires \$156,026 in additional cuts to proposed budget
- ▶ Mandated Cuts under Contingent Budget: community use of buildings & grounds and certain equipment