



PITTSFORD CENTRAL SCHOOL DISTRICT



Budget Work Session

March 14, 2011

Pittsford Central School District 2011-2012 Budget Work Session

A g e n d a

Recap from last time and DPT Presentation

Budget Change by Object - Thumbnail

Multi-year Budget Trends – by object code

Where does the money go?

Implemented Reductions Summary

Revenues

State Aid – looking back & ahead

Budget, Aid & Levy Forecasting

Budget Highlights

BOE / Superintendent Work – Reductions

Bus Purchase Reserve

Capital Reserve

Timetable

Questions & Discussion



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2011-2012 Philosophy and Process *(new this year)*

- End in Mind (targets)
 - Maintaining excellence and expected academic performance in instruction and areas that support student achievement
 - *Attain as close as possible an implied Tax Levy Cap of 2%*
 - *Eye on the Future – A budget that provides for future stability and utilizes Fund Balance and Reserves in a thoughtful manner minimizing budget spikes*
- Budget stakeholders in preparing their budgets were instructed to:
 - *Provide greater level of detail/justification*
 - New requests must be tradeoffs of existing expenditure
 - Identify a budget maintaining current programs and provide detail for 10% reduction to all discretionary codes

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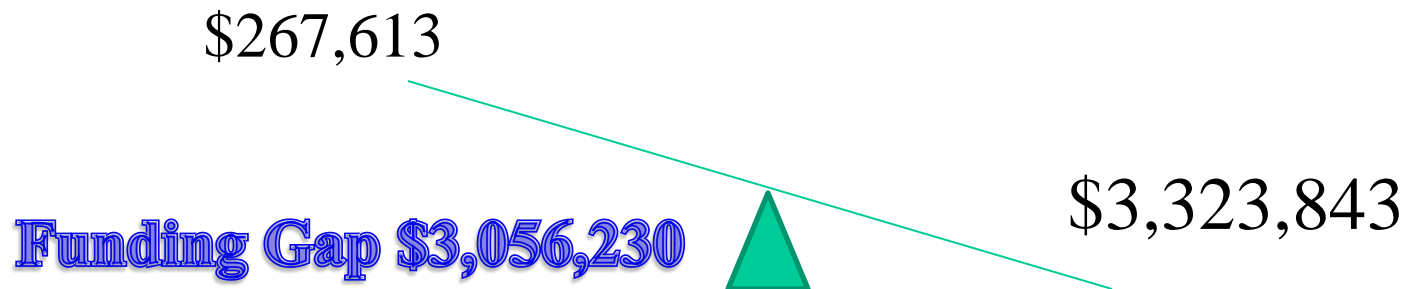
Budget Influencing Factors

Revenue

- 1,663,555 Target 2% Levy
- (2,563,949) Gov State Aid
- (35,000) Interest Income
- 831,007 Fed Jobs Fund
- 142,000 Admin Efficiency Aid
- 230,000 Sales Tax & Misc
- 267,613 Total Non-Tax Rev.

Appropriations/Expenditures

- Status Quo Budget +\$3,323,843
 - Current level of programs & services
 - Enrollment and related staffing steady
 - Adjusted for known contractual and other cost changes



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Closing the Gap – Solutions Implemented

Revenue

- From Previous Slide \$ 267,613

- Use of Fund Balance and Reserves
 - Appropriated Fund Balance \$1,250,000
 - Emp. Benefits Reserve \$ 400,000
 - Emp. Retirement Reserve \$ 100,000
 - Unemployment Reserve \$ 25,000

• Amended Revenue Income
\$2,042,613

Appropriations

- From Previous Slide \$3,323,843

- Budget Reductions & Adjustments
 - Retirement Attrition (\$456,000)
 - Misc small adjustments (\$131,896)
 - Discretionary codes (\$403,000)
 - 10% reduction of supplies, contractual, equipment

• Decrease in Appropriations (\$990,896)

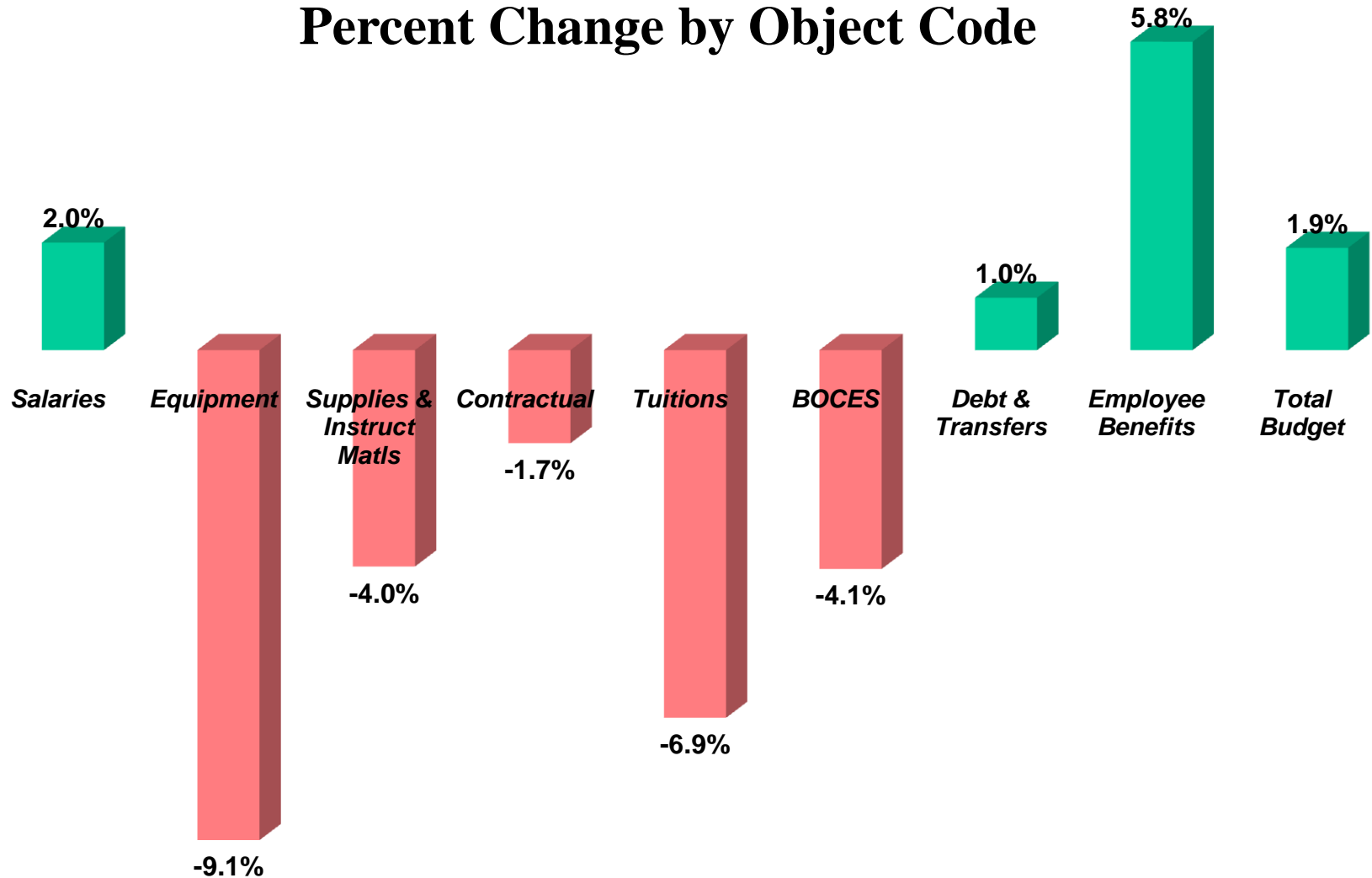
• Amended Budget Increase

\$2,332,947

Funding Gap \$290,334

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2011-2012 Projected Budget Percent Change by Object Code



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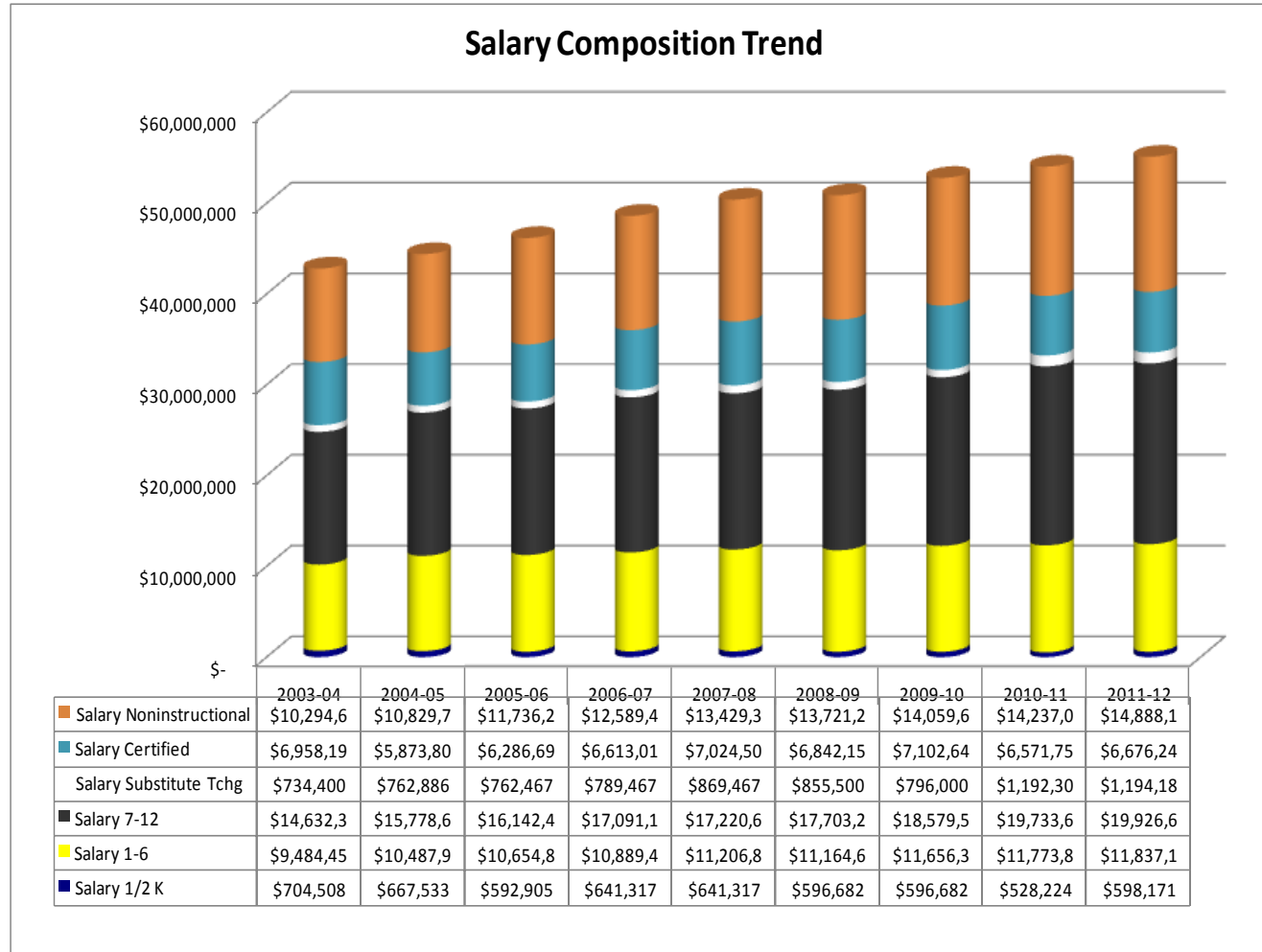
2011-2012 Composite Draft Budget

• Salaries & Staffing

- + \$1,083,826 + 2.0%
- Multi-year history nuances
 - Enrollment bubble
 - Some areas may have a more senior work force and thus a cost bubble
 - Collective Bargaining Agreements
 - Implementation of new School Building in 2006-07
 - 2005-06 thru 2007-08 personnel to operate and maintain 36% more Facilities and Grounds

— Reductions

- Over Time - Community use of facilities and Athletics are significant driving factors
- Retirement Attrition Savings
- New positions for take back of BOCES Services with commensurate or greater savings in BOCES code

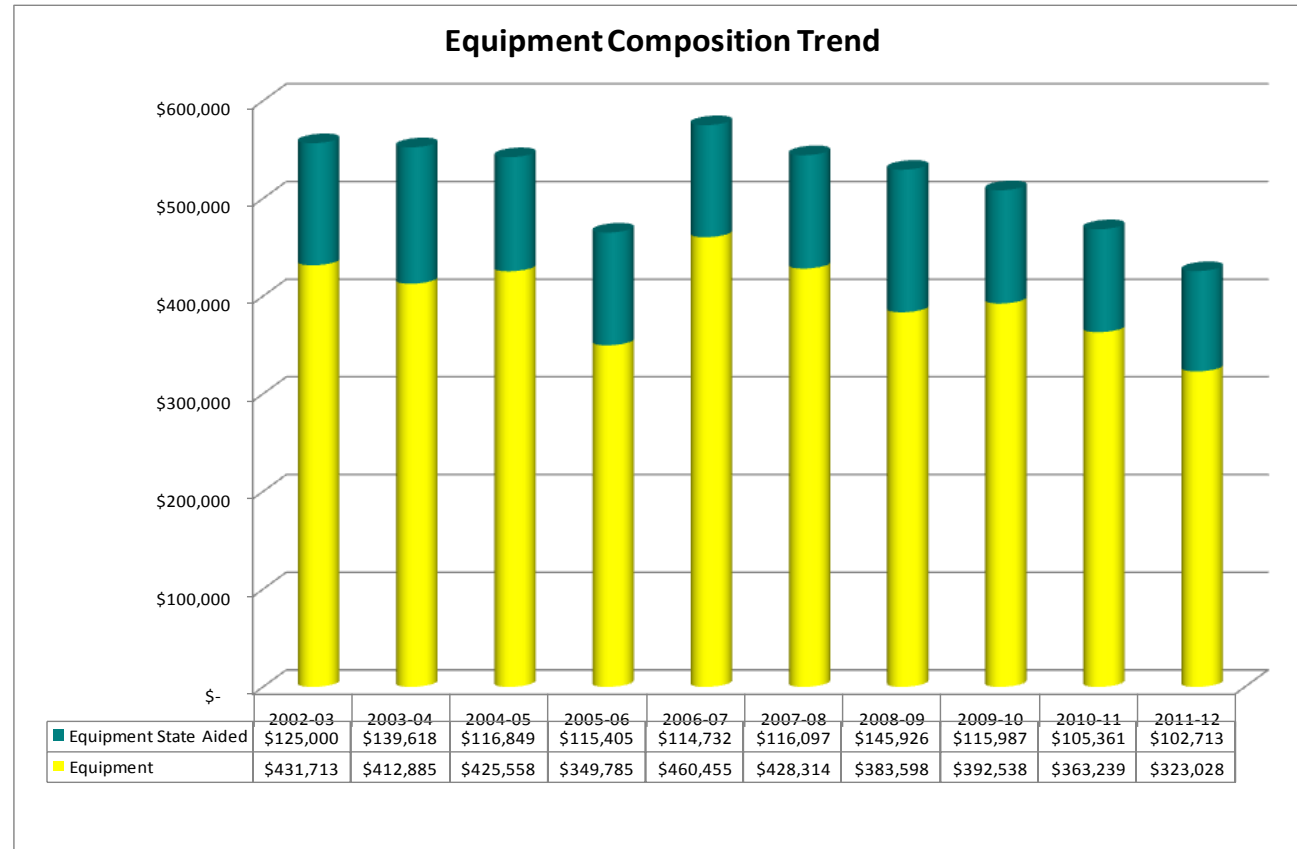


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- Equipment

- -\$42,859 -9.1%

- Steady decline in District equipment
 - Short-term savings provided by Capital Projects
 - Allowable threshold for equipment increased, thus some reclassification to supplies
 - Budget Manager reductions
 - White and Smart Boards – all buildings
 - Deferred replacement and maintenance plans
 - » O&M equipment
 - » Technology
 - State Aided Equip. based on per pupil allocation



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• Contractual, Tuitions & BOCES

– Total -\$521,899 -3.4%

– Contractual

• -\$97,308 -1.7%

- Reduce copier leases and maintenance costs
- BOCES printing services
- Reduce conference and travel
- Reduction of non instructional program related consultants
- Utility saving measures

– Tuitions

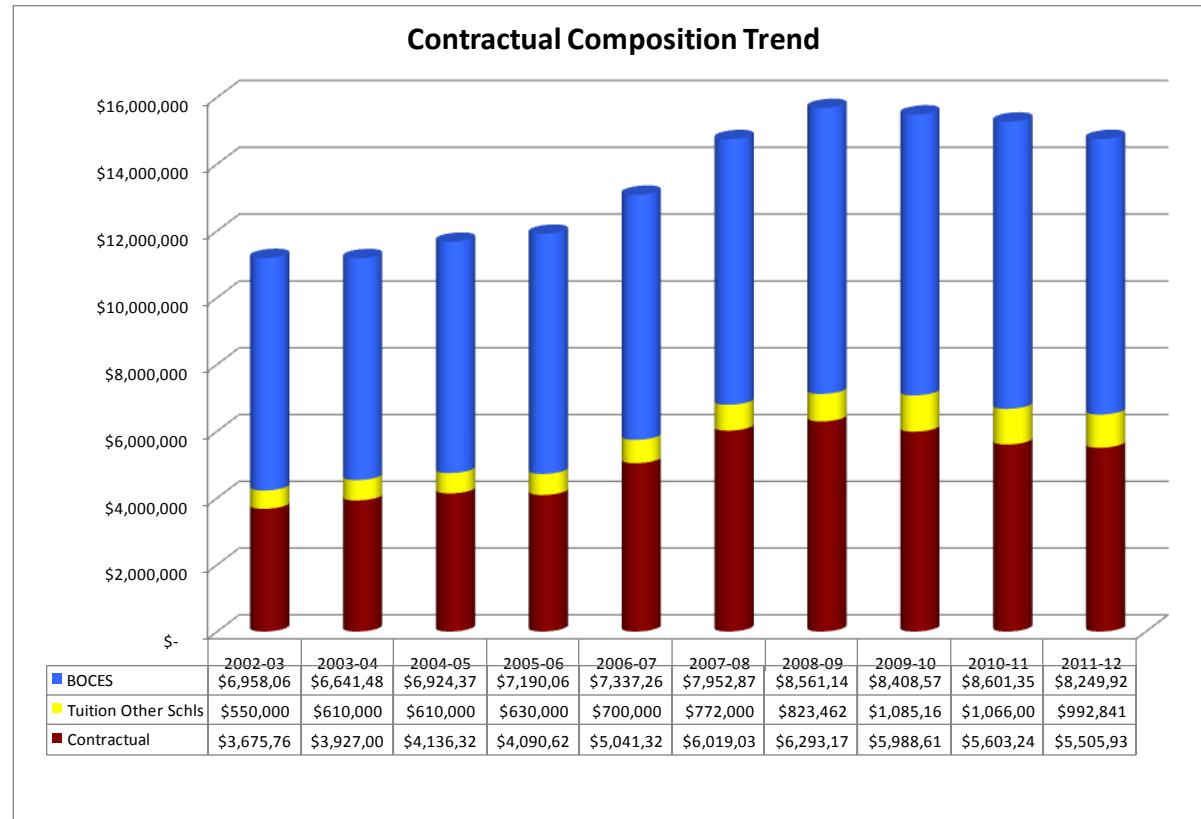
• -\$73,160 -6.9%

- Increased cost of Special Education Placements
- Adjusted to billing to from other schools for students attending programs out of District

– BOCES

• -\$351,431 -4.1%

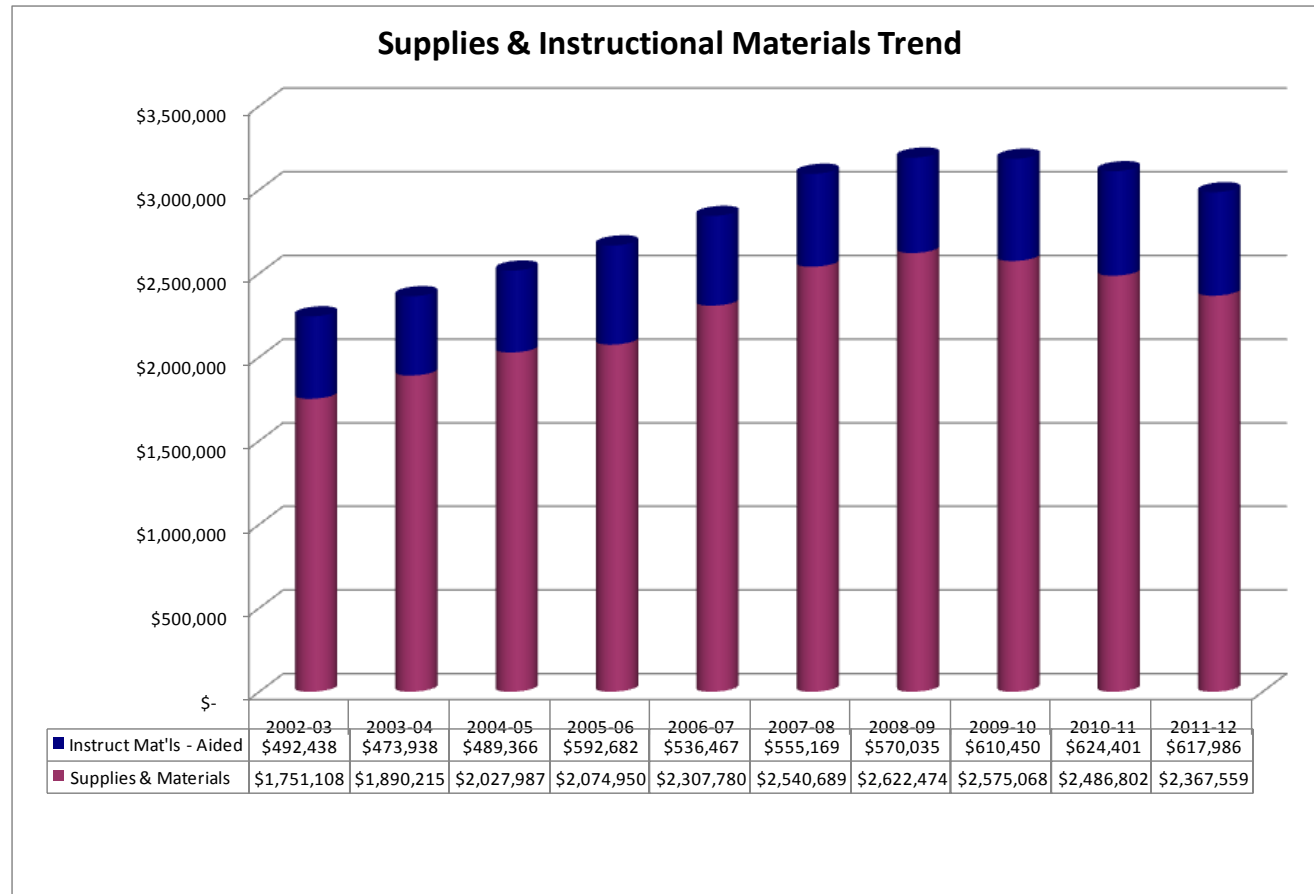
- Increase in charge for BOCES services
- Reduction in services provided
 - » Spec Ed program take backs
 - » Reduction in Technology services



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• Supplies & Instructional Materials

- Total -\$125,658 -4.0%
- Instructional Material
 - Text & Library Books, Software
 - Are aided \$ for \$ based on a per student allocation
- District Supplies
 - -\$119,243 -4.8%
 - Building Reductions
 - Paper
 - Standardized cleaning products
 - Parts inventory systems
 - Stabilizing of fuel prices



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• Undistributed Expenses

– +\$1,700,592 +4.6%

– Debt Service

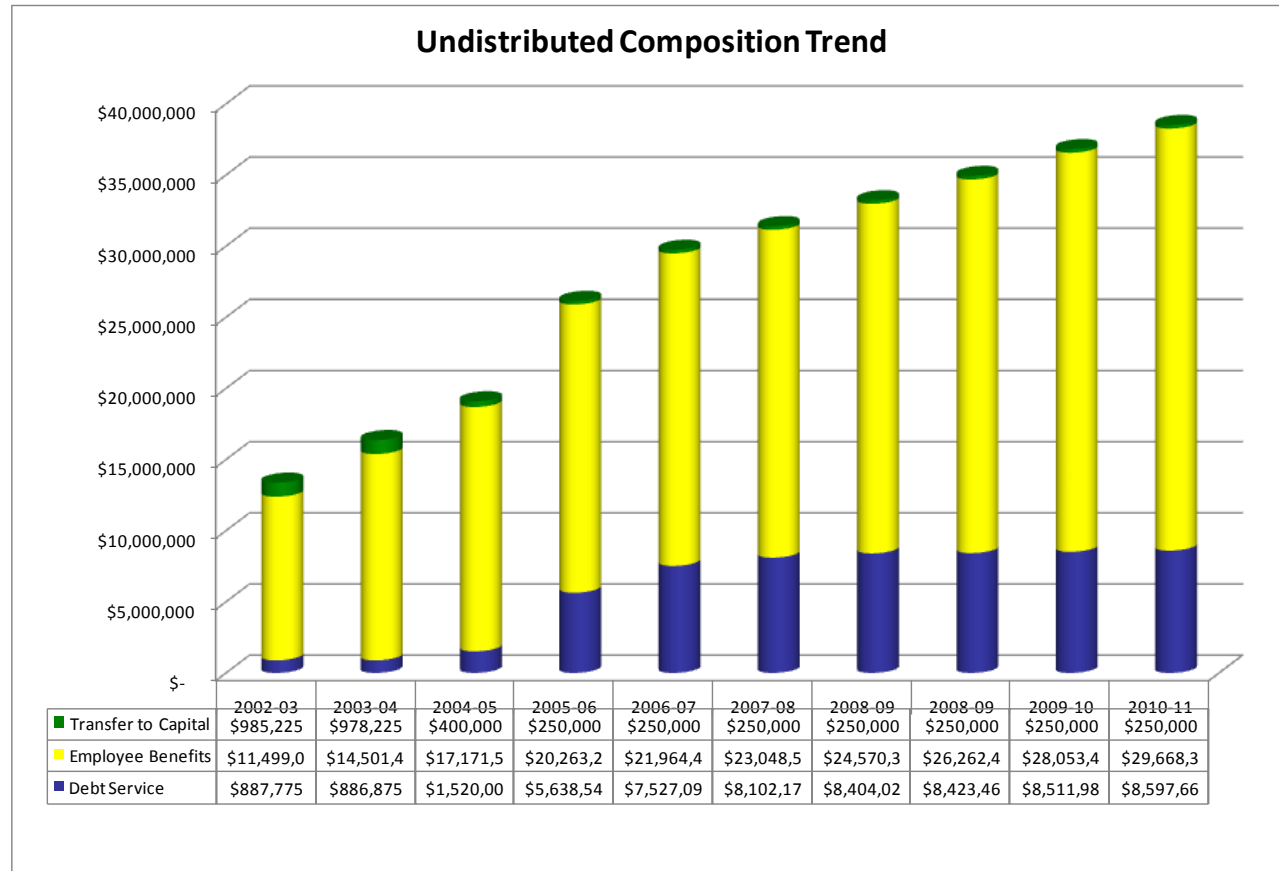
- Now fully implemented and level
- Supported by separate prior voter approval
- Generates Aid that offsets approx 54% of the cost
 - When possible, on Capital Reserve funded projects, transfer Bldg Aid to the reserve to replenish for future tax stabilization

– Employee Benefits

- +\$1,614,912 +5.8%
 - Growth rate has recently stabilized
 - Cost savings from
 - » Health and Worker’s Comp insurance consortiums
 - » Self-funded Dental
 - » Contractual concessions
 - Cost drives this year’s increases to Retirement System \$932,000, 15%

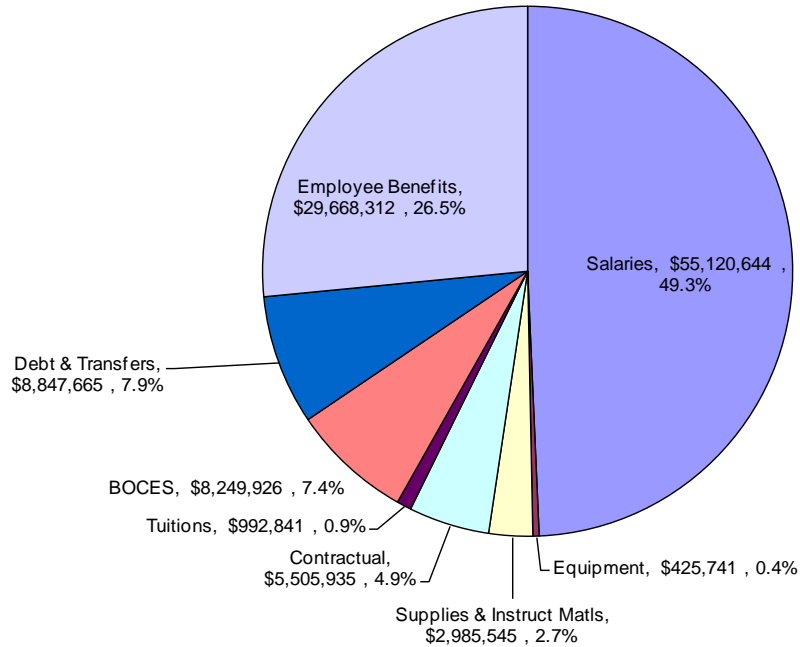
– Transfer to Capital

- Used to fund minor maintenance and repair projects to maintain facilities, infrastructure and equipment
- Projects may be aided by Building Aid
- Steady decline to nominal funding during the revitalization project
 - Project provided short term decreased need in maintenance projects
 - Reductions made here to help soften the impact of new Debt Service coming on line

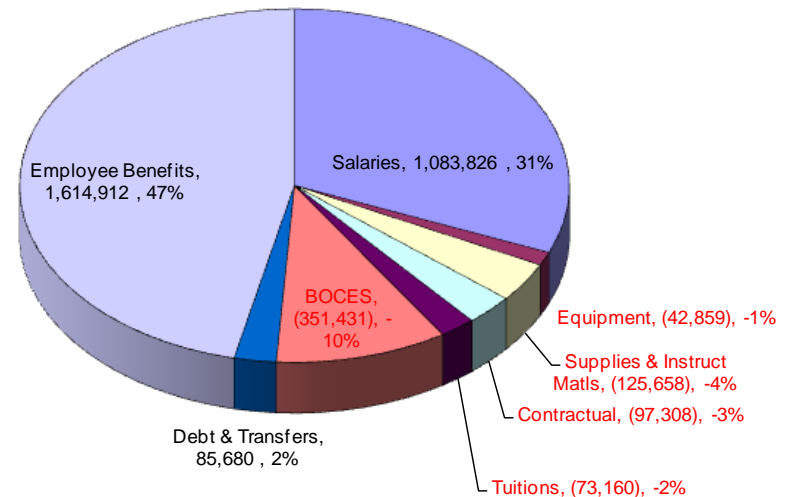


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2011-2012 Draft Budget Composition by Object of Expense



2011-2012 Draft Budget - Factors Driving the \$2,042,613 Change
(Red Signifies a Reduction of Budget)



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- Reductions & Impact – School Buildings
 - Equipment
 - Smart Boards & projectors
 - Interactive response systems
 - Student computers
 - Digital cameras
 - Instrumental & vocal music equipment
 - Replacement of student furniture
 - Contractual
 - Mounting of projectors
 - Field trips
 - Professional Development & related travel
 - Security camera's and keyless entry systems
 - Supplies & Materials
 - Paper/copying replace with use of website
 - English & Social Studies novels and maps unit
 - Instructional software
 - Library book replacement
 - P.E. supplies
 - Blind repair/replacement
 - Fans
 - Human Resources
 - No new positions unless commensurate or greater savings
 - Class size maximization – contractual
 - Instruction and Curriculum
 - Minimize substitutes – less release time for Professional Development
 - cover for others
- Reductions & Impact – District Level
 - Defer some athletic field remediation
 - Delay replacement of various security systems
 - Cameras
 - Lighting
 - Keyless entry
 - Centralized printing centers to minimize
 - Copier lease and maintenance costs
 - Web based communication emphasis
 - Minimize mailing, copying, paper and printing costs
 - Reduce/delay technology hardware and infrastructure replacement
 - Critical review of BOCES Technology, Special Education and other services
 - Eliminate
 - Reduce
 - Provide service in district
 - Supplies and materials
 - Equipment
 - Professional Development
 - Contractual and Consultants
- Key Quote – “Everything is less than it was, but we will still do much.”

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2011-2012 Draft Revenue — Impact of State Aid assume no change in total budget

Revenues	2010-11 Adopted	Percent of Total Budget	2011-12 Draft Budget	Percent of Total Budget	Dollar Change	Percent Change
Pay In Lieu of Tax (PILOT)	1,660,870	1.5%	1,600,000	1.4%	(60,870)	-3.7%
Sales Tax	4,131,535	3.8%	4,408,705	3.9%	277,170	6.7%
Interest Earnings	125,000	0.1%	90,000	0.1%	(35,000)	-28.0%
State Aid (less Bldg Aid)	13,796,817	12.6%	13,080,906	11.7%	(715,911)	-5.2%
Building Aid	5,048,642	4.6%	4,941,164	4.4%	(107,478)	-2.1%
Misc other	512,015	0.5%	769,217	0.7%	257,202	50.2%
Appropriated Fund Bal	1,250,000	1.1%	1,250,000	1.1%	0	0.0%
Unemployment Reserve	-	0.0%	25,000	0.0%	25,000	100.0%
Emp. Benefits Liability Reserve	-	0.0%	400,000	0.4%	400,000	100.0%
Emp. Retire. Sys. Reserve	-	0.0%	100,000	0.1%	100,000	100.0%
Property Tax Levy	83,177,728	75.8%	85,131,617	76.1%	1,953,889	2.3%
Total Revenue	109,702,607	100.0%	111,796,609	100.0%	2,094,002	1.9%

Important Note:

The above is **not** an estimation of the Tax Rate or homeowner Tax Bill since property value assessments and other variables are not known at this time.

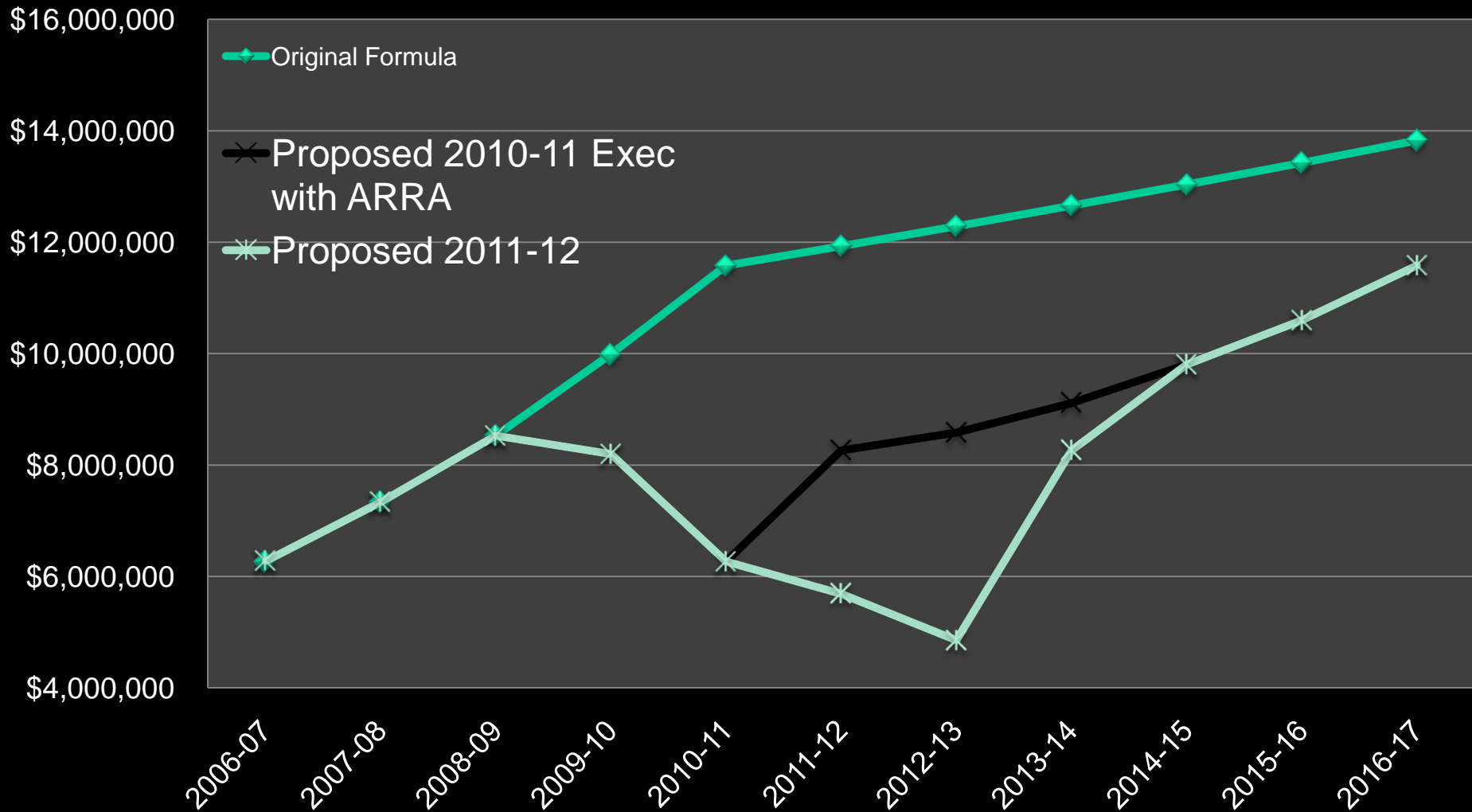
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State Aid – Governor’s Proposal

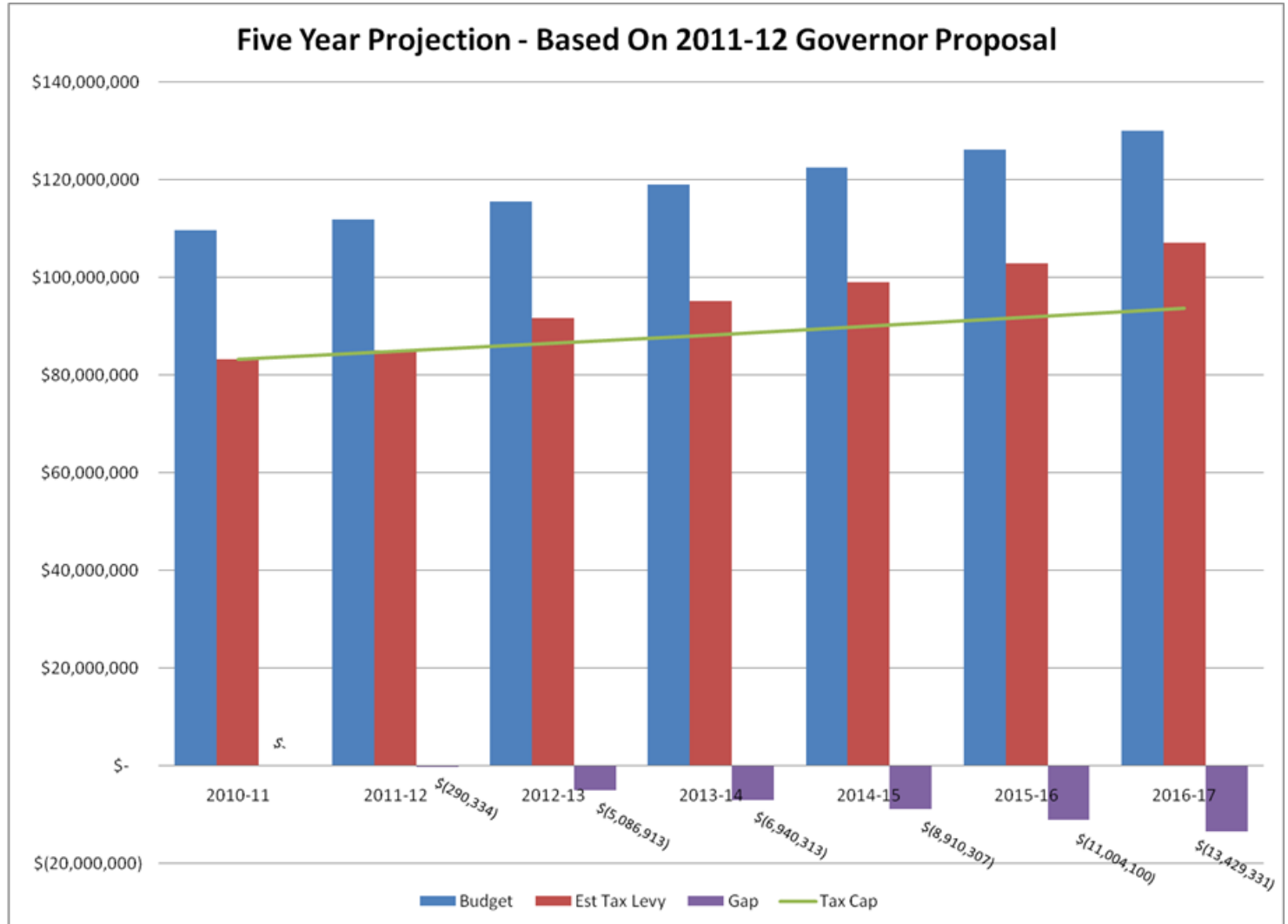
- Foundation Formula History and Evolution
 - 2011-2012 “**Today**” New Gov. Cuomo will not follow the CFE court order and reduces Statewide School Aid by 7%
 - Aid again capped at prior year amount
 - Target amount and phase in period extended to 10 years 2016-17
 - Same GEA formula as last year, but adjusted to the reduction of aid is greater
 - For PCSD the reduction of aid went from \$2.9 to \$3.4 million for a 14% reduction
 - The GEA is partially offset by the District electing to defer Federal Jobs Fund money, \$831,007 from last year to the 2011-12 year.
 - Net GEA **Lump Sum Reduction to Aid \$2,577,436; 33% more than last year**

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Foundation Aid Formula Progression



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• Summary – Appropriations

- Buildings and stakeholders were issued 10% reduction orders for first round
- Governor’s budget places a \$300,000 additional unplanned burden on the budget
- Many budget areas have decreased over the current year
- **NO** new budgetary increase requests have been implemented
- Staffing is either level or reduced with the exception of required services for Students With Disabilities
- Consumer Price Index =1.6%
- Contingent Budget Cap =1.85%
- Current Draft Budget
 - 1.91% \$2,094,002
 - Total Draft Budget \$111,796,609

• Summary – Revenue

- Loss of Foundation Aid over current formula \$3.8 million
- Reduction in Interest Earnings \$35,000
- Decrease in Building and Other Aids \$197,000
- Deficit Reduction Assessment – reduces aid by another \$3.3 million
- Reinstatement of \$200,000 in Sales Tax
- Estimated Tax Levy & Tax Rate increase based on Current Draft Budget
 - 2.35%, 2.0% respectively
- Estimated Tax Levy & Tax Rate if implement additional reductions
 - 2.0%, 1.6% respectively
- Facility Use of Facilities
 - Revisit the fee structure
 - Accelerate the implementation
- Federal Stimulus
 - Jobs Fund Grant \$831,007 last year before done
 - Expired ARRA funds -\$992,845

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Board of Ed / Superintendent Work

- Task: To identify potential additional reduction of at least \$290,000 to get the Implied 2% Tax Levy Cap
- Process:
 - Review of several years of reduction analysis
 - Meeting with District Personnel
 - Review and work process with District Planning Team (DPT)
- Potential Additional Reductions as Recommended by the Superintendent:
 - Eliminate District grade level chair position
 - Principals can facilitate meetings
 - **Savings \$7,000**
 - Eliminate 4 secondary level paraprofessional positions
 - One FTE each school
 - **Savings \$120,000**
 - Restructure Standards Leaders positions
 - to reduce cost by 10%
 - **Savings \$30,000**
 - Consolidate secondary music lessons
 - From 15 to 14 music teachers
 - **Savings \$80,000**
 - Use of Fund Balance or appropriate Reserve Fund
 - **Additional Revenue \$53,000**
- End Result
 - Budget \$111,559,609, +1.69%
 - Tax Levy \$ 84,841,617, +2%

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Proposition No. 1

Capital Reserve Fund - Purchase of Buses

- Purchase of ten replacement buses at a total maximum cost of \$921,344
 - Four - 65 passenger, \$106,874 ea.
 - Four - 36 passenger mini-bus, \$100,894 ea.
 - Two - 20 passenger mini-bus, \$45,136 ea.
 - Trade-in allowance will reduce total cost
 - *Will not impact the tax levy*
 - Will generate approximately \$741,000 in State Aid that will replenish the reserve
 - All buses being replaced are more than ten years old and have more than 120,000 miles



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Proposition No. 1

Capital Reserve Fund - Purchase of Buses

BE IT RESOLVED, that the Board of Education of the Pittsford Central School District is hereby authorized to withdraw from the “Capital Reserve Fund – Purchase of Buses” a sum of money equal to nine hundred twenty-one thousand, three hundred forty-four dollars (\$921,344), less trade-in allowance, to be used for the replacement purchase of four sixty-five passenger buses, four thirty-six passenger buses and two twenty passenger buses, and communications equipment used in the operation of such buses.

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Proposition No. 2 Re-establish Capital Reserve Fund

- What is a Capital Reserve?
 - Virtually a savings account to fund a specific purpose that would otherwise be financed through a borrowing and/or levy of additional taxes
- Education Law Requirements
 - Voter authorization is required to:
 - Establish
 - Maximum cumulative amount
 - Maximum term/life
 - Funding Method
 - Withdraw/use

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Proposition No. 2

Re-establish Capital Reserve Fund

- Previous Capital Reserve Information
 - Established in 2007
 - \$14,000,000 Maximum cumulative deposit
 - Ten (10) year Term
 - Usage/Benefits of previous Capital Reserve - \$5,208,000
 - 2008 Reserve Project - \$3,443,000
 - MHS Gym roof
 - Barker Road Middle School – Phase I
 - » Pool renovation
 - » Roof replacement
 - » First floor lockers
 - » Asbestos removal
 - Athletic Field and playground improvements
 - 2009 Reserve Project - \$1,765,000 in progress
 - Allen Creek Roof Replacement
 - Barker Road Middle School – Phase II
 - » Science and Math classrooms & ADA compliance
 - » Second floor lockers
 - » Bus loop and parking

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Proposition No. 2 Re-establish Capital Reserve Fund

- Why do we need to re-establish the capital reserve?
 - After deposit of the old reserve, plus interest earnings, Building Aid received on reserve projects and appropriation of year end funds, we have almost fully funded the maximum cumulative deposit.
 - The balance of the existing capital reserve, approximately \$8.2 million would transfer to, and start the funding of the new reserve.
 - The District has \$129 million in capital needs to maintain its current facilities over the next fifteen years.
 - More than 60% or \$78 million will be needed within the next 5 to 10 years
 - **Therefore the District is requesting authorization to establish a new Capital Reserve (savings account) as permitted by NYS Education Law:**
 - **For the specific purpose of renovating, maintaining, building facilities, related infrastructure and equipment.**
 - **The maximum cumulative deposit will be \$39 million, including the transfer of the existing reserve balance of approximately \$8.2 million.**
 - **The term of the reserve will be for no more than ten years.**
 - **Voter authorization by special proposition shall be required to expend from the reserve.**

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Proposition No. 2 Amend General Capital Reserve Fund

BE IT RESOLVED, that the Board of Education of the Pittsford Central School District is hereby authorized to amend the ultimate amount and probable term of the existing “General Capital Reserve Fund” established pursuant to Education Law 3651 in 2007 as follows: (1) the ultimate amount of the fund be increased from fourteen million dollars (\$14,000,000) to thirty-nine million dollars (\$39,000,000) plus amounts earned on deposits; and (2) the probable term of the fund be extended for an additional ten (10) years to May 2027.

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Budget Timetable

- Budget Work sessions (6:00 pm at BRMS)
 - March 28 – Recommended adjustments & updates, Present Proposed Budget Binder
- Budget Adoption – April 11, 7:00 pm Barker Road Middle School
- Annual Budget Hearing – May 9, 7:00 pm Barker Road Middle School
- Budget Vote – May 17, 7:00 am to 9:00 pm Barker Road Middle School gymnasium; voter identification is required

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- Board of Education Questions & Discussion
- End of Presentation
- Presentation may be reviewed on District's website
 - www.pittsfordschools.org follow the menu
 - Direct Link
<http://www.pittsfordschools.org/departments.cfm?subpage=38388>

End of Presentation