



Pittsford Central School District

Budget Work Session #2

February 28, 2012

Pittsford Central School District 2012-2013 Budget Work Session

A g e n d a

Recap from last time

Stage II Reductions Summary

Multi-year Budget Trends

Revenues

Budget, Aid & Levy Forecasting

Budget Highlights

Bus Purchase Reserve

Next Steps

Timetable

Questions & Discussion



Pittsford Central School District 2012-2013 Budget Work Session

2012-2013 Philosophy and Process *(new this year)*

- End in Mind (targets)
 - Maintaining excellence and expected academic performance in instruction and areas that support student achievement
 - *Develop a budget not to exceed the estimated Tax Levy Cap of 3.41%*
 - *Eye on the Future – A budget that provides for future stability and utilizes Fund Balance and Reserves in a thoughtful manner*
- Budget stakeholders in preparing their budgets were instructed to:
 - Identify a budget maintaining current programs and *provide detail for 10% reduction to all discretionary codes*

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From Work Session on February 13
Budget Influencing Factors

Revenue

- (706,892) Pmts In Lieu of Tax
- (250,356) Gov State Aid
- (831,007) Fed Jobs Fund
- 142,000 Admin Efficiency Aid
- 211,483 Sales Tax & Misc.
- (1,434,772) Total Non-Tax Revenue
- 2,896,068 Tax Levy Cap 3.41%
- 1,461,296 Net Total Revenue Growth

\$1,461,296

Appropriations/Expenditures

- If Status Quo Budget +\$3,355,902
 - 3.01% more than current year
 - Current level of programs and services
 - Enrollment and related staffing steady
 - Adjusted for known contractual and other cost changes

Funding Gap \$1,894,606



\$3,355,902 +3.01%

Status Quo Budget 2/13/2012

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Closing the Gap – Solutions Implemented
From February 13 Work Session

Revenue

- From Previous Slide \$1,461,296

Appropriations

- From Previous Slide \$3,355,862 +3.01%
- Stage I Budget Reductions & Adjustments
 - Retirement Attrition (\$144,197)
 - Employee Benefits Svgs (\$560,000)
 - Discretionary codes (\$346,305)
 - 10% reduction of supplies, contractual, equipment
- Decrease in Appropriations (\$1,050,502)
- Amended Budget Increase 2.07%
- Amended Revenue Income

\$1,461,296

Funding Gap \$790,040

\$2,305,360 +2.07%



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Reductions Summary

Area/Dept	Description and Impact	Cost Impact		
		Added	Savings	Net
Special Ed - District	Reduce 2.0 FTE per contract		\$ (97,222)	\$ (97,222)
Special Ed - MHS	Provide service for 7 students in-district and reduce BOCES Cost. Would require hire of 6 FTE	\$ 296,427	\$ (452,438)	\$ (156,011)
Special Ed - BRMS	Provide service for 2 students in-district and reduce BOCES Cost. Would require hire of 2 FTE	\$ 59,500	\$ (109,378)	\$ (49,878)
Technology	Reorganize Instructional Technology Specialists (ITS) from bldg based model to District Team. Reduction of 2.0 FTE ITS through attrition		\$ (70,281)	\$ (70,281)
Family Consumer Science	Reduce 1.0 FTE through retire attrition. Offer in one grade only		\$ (55,437)	\$ (55,437)
Instructional Music	Reduce .6 FTE. Increase lesson group size		\$ (34,171)	\$ (34,171)
Athletics	Various reductions in Athletic budget		\$ (42,000)	\$ (42,000)
Transportation	Combine K - Grade 5 into one run		\$ (142,000)	\$ (142,000)
Debt Service	Refinance Bonds \$2.6 million savings over ten years		\$ (143,000)	\$ (143,000)
Totals	Total Stage II Reductions / Savings			\$ (790,000)

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New Closing the Gap – Solutions Recommended Tonight

Revenue

- **From Previous Slide** **\$1,461,296**
- Revenue Enhancements
 - Use of Facilities Charges \$ 4,064
 - Federal Medicaid Billing reinstated \$ 50,000

- **Amended Revenue Income**

Appropriations

- **From Previous Slide +2.07%** **\$2,305,360**
- Budget Reductions & Adjustments
See Summary
- **Stage II Decrease in Appropriations** **(\$790,000)**

- **Amended Budget Increase**

\$1,515,360

\$1,515,360 +1.36%

Balanced

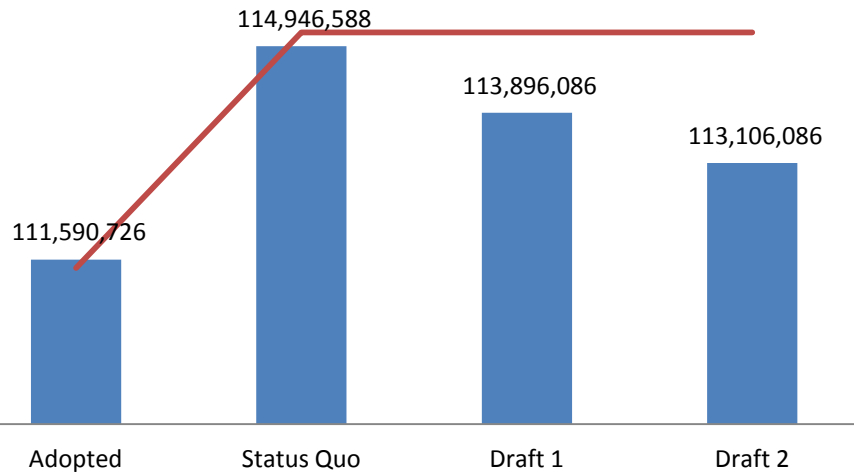


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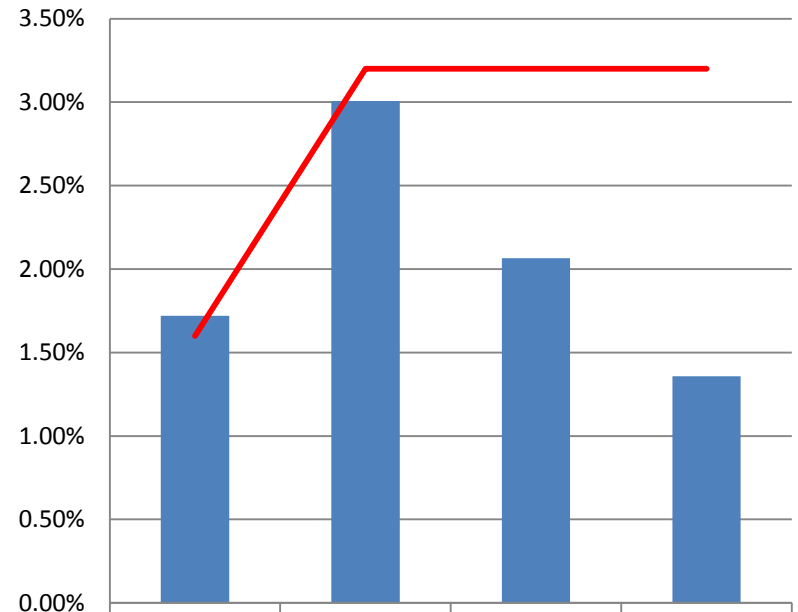
Budget Development Progression

Budget Development Progression

■ Total Budget — CPI \$



Budget Compared to Consumer Price Index

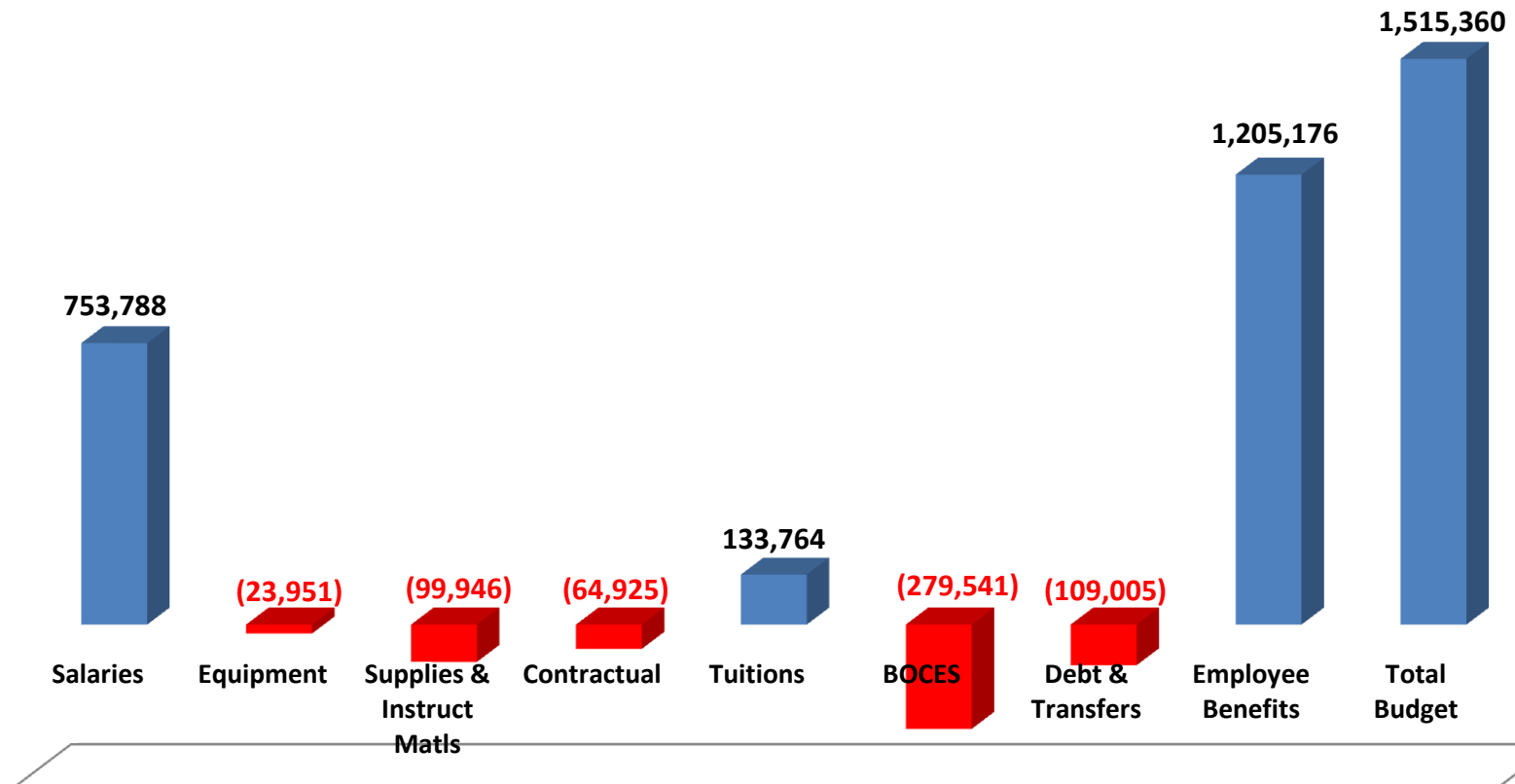


■ % Chg fr Adopted
— CPI %

	Adopted	Status Quo	Draft 1	Draft 2
% Chg fr Adopted	1.72%	3.01%	2.07%	1.36%
CPI %	1.60%	3.20%	3.20%	3.20%

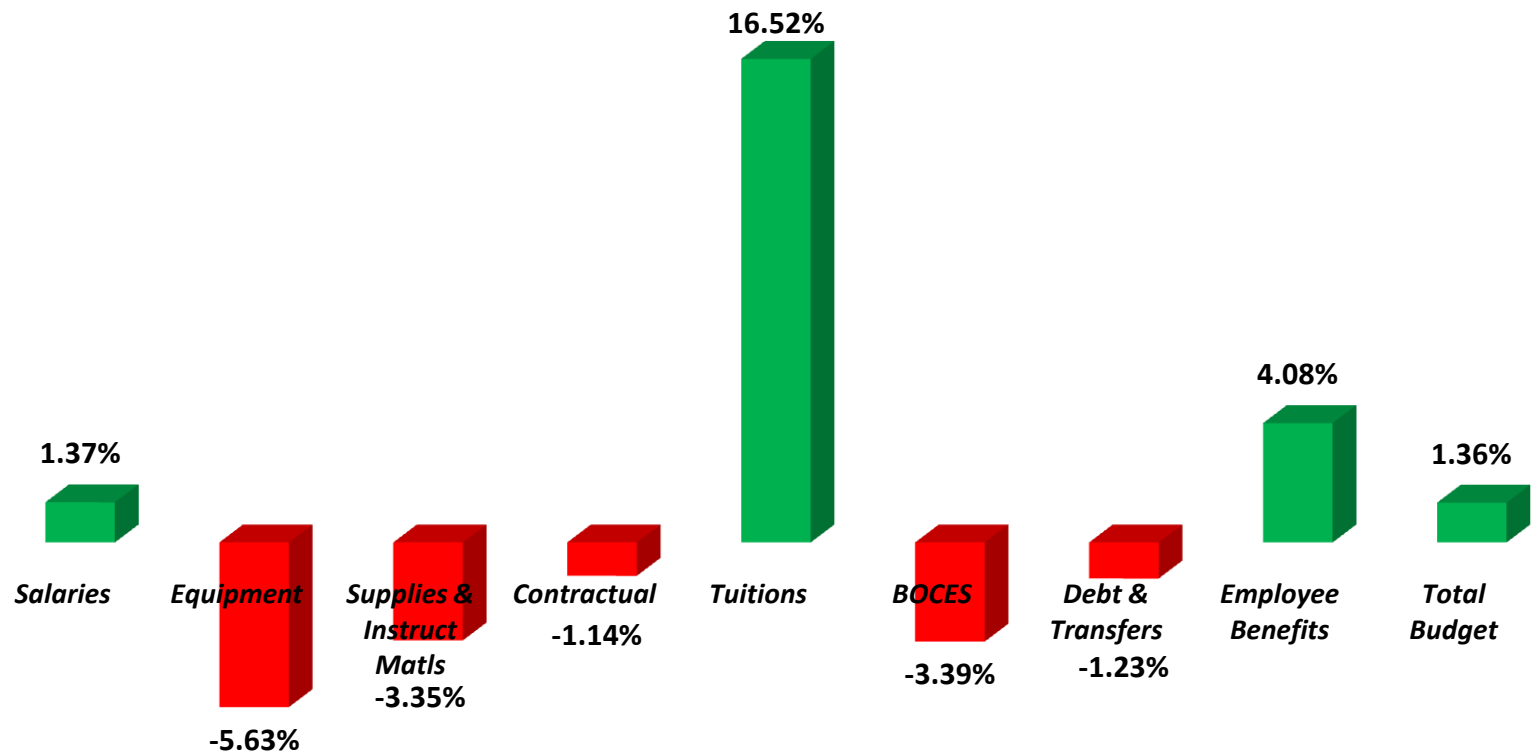
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Dollar Change By Object of Expense
(Red are Reductions)



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2012-2013 Projected Budget
Percent Change by Object Code



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2012-2013 Composite Draft Budget

Salary Composition Trend

• Salaries & Staffing

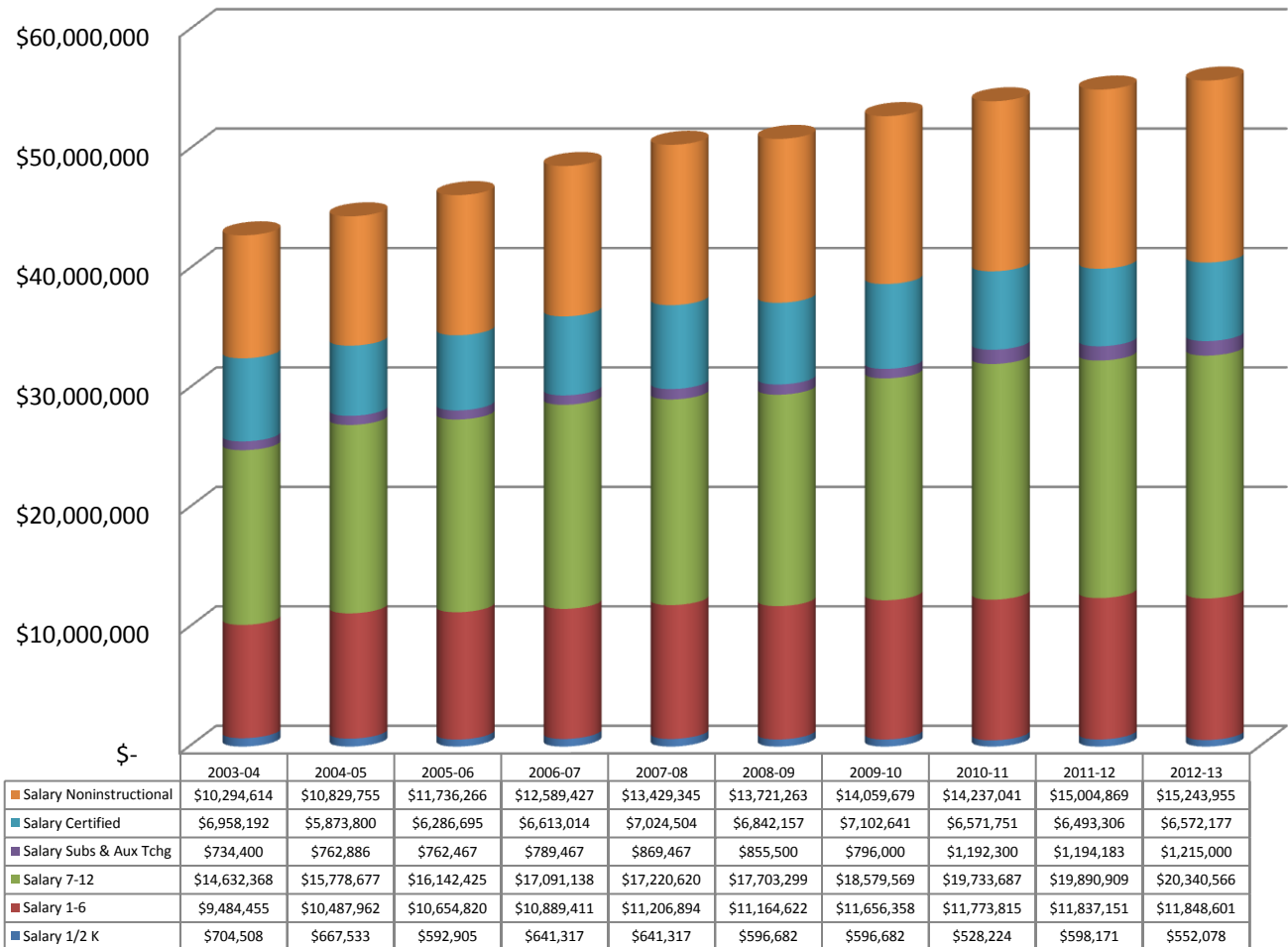
— + \$ 753,788 + 1.37%

— Multi-year history nuances

- Enrollment bubble impact
- Some areas may have a more senior work force and thus a cost bubble
- Impact of Collective Bargaining Agreements & new NYS APPR
- Implementation of new school building in 2006-07
- 2005-06 thru 2007-08 personnel to operate and maintain 36% more Facilities and Grounds
- Over Time - Community use of facilities and Athletics are significant driving factors

— Reductions

- Retirement Attrition Savings
- New positions for take back of BOCES Services with commensurate or greater savings in BOCES code



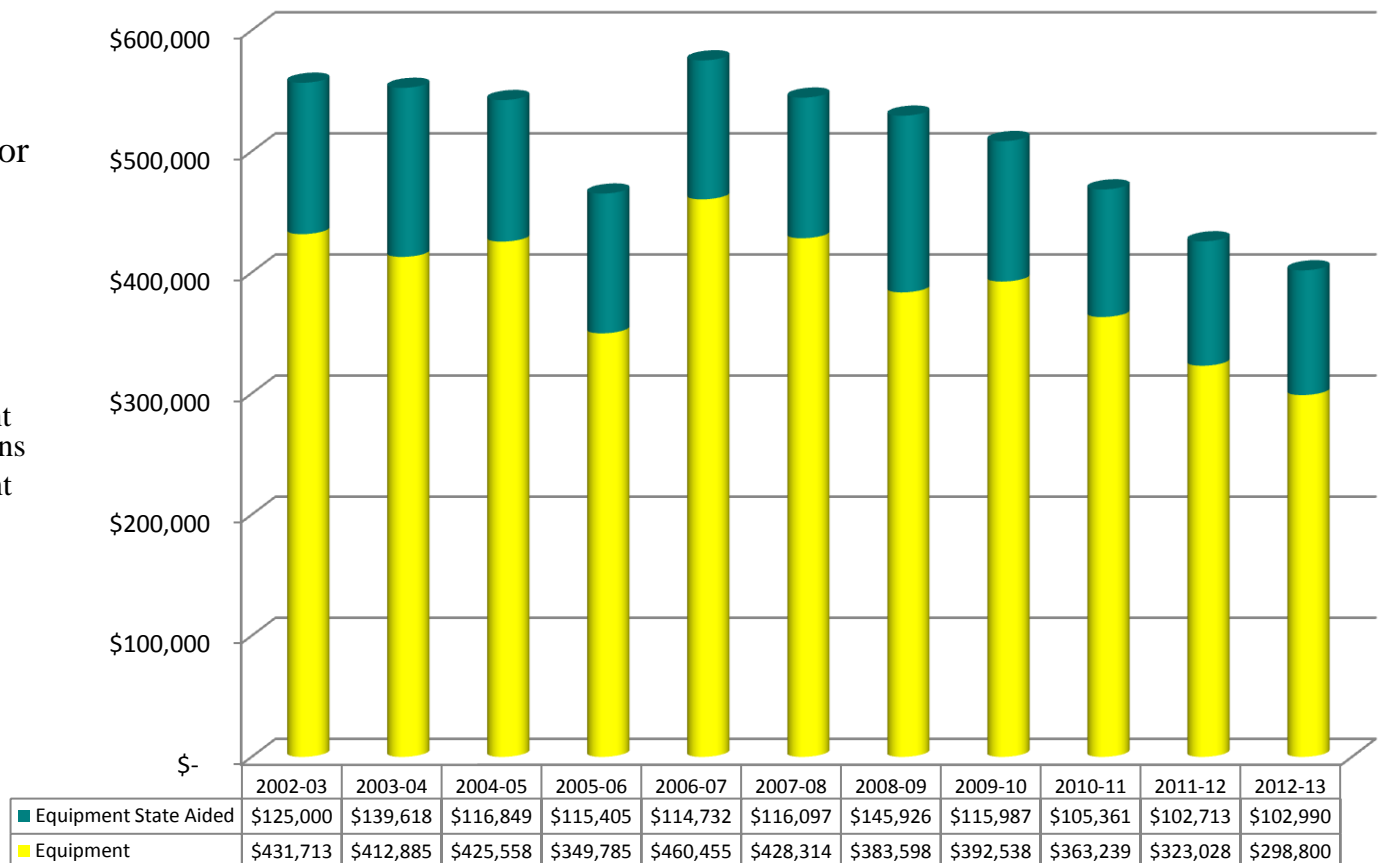
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• Equipment

– **-\$ 23,951 -5.63%**

- 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
 - Deferred replacement and maintenance plans
 - » O&M equipment
 - » Technology
- State Aided Equip. based on per pupil allocation

Equipment Composition Trend

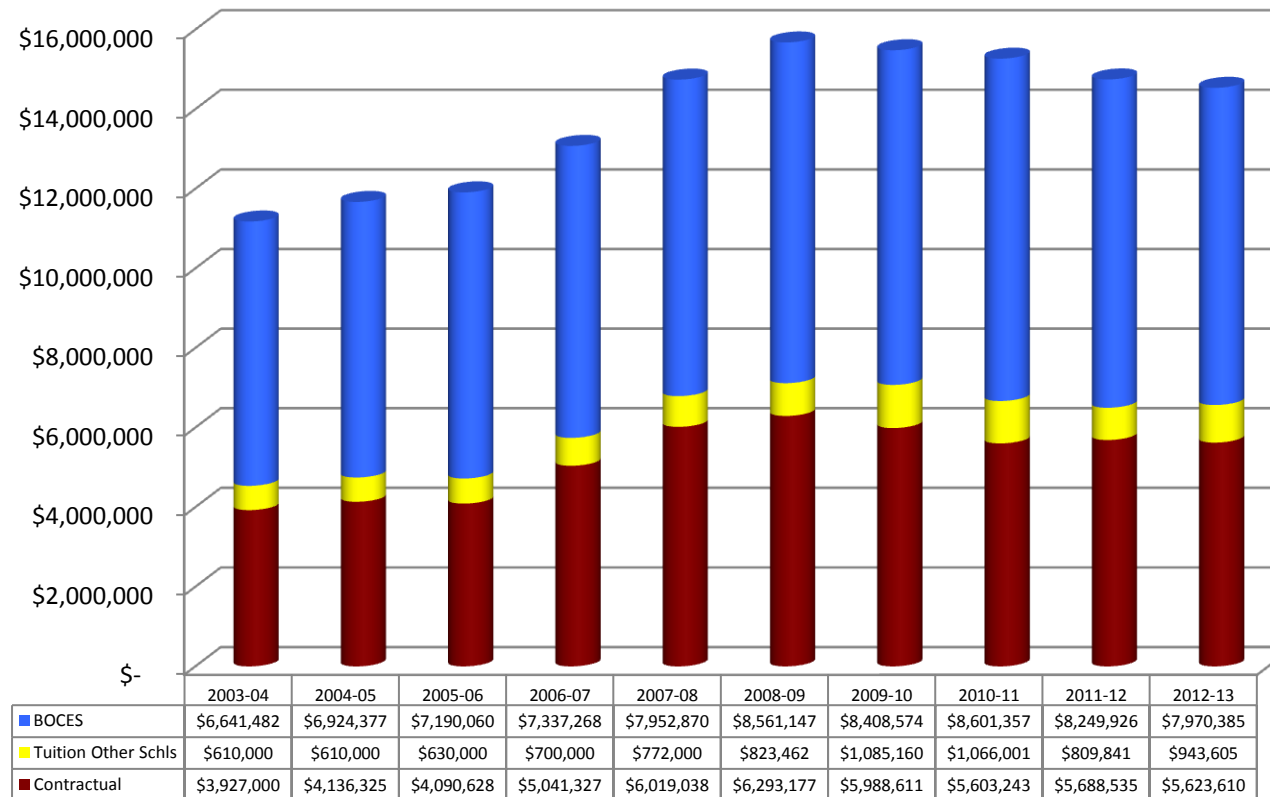


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• Contractual, Tuitions & BOCES

- Total **-\$ 210,702 -1.43%**
- Contractual
 - **-\$ 64,925 -1.14%**
 - Reduce copier leases and maintenance costs
 - BOCES printing services
 - Reduce conference and travel
 - Reduction of non instructional program related consultants
 - Utility saving measures
- Tuitions
 - **+133,764 +16.52%**
 - Increased cost of Special Education Placements
 - Adjusted to billing from other schools for students attending programs out of District and New Law Amendment
 - Some offsetting Revenue when we charge other Districts for services we provide to them
- BOCES
 - **-\$ 279,541 -3.39%**
 - Increase in charge for BOCES services
 - Reduction in services provided
 - » Spec Ed program take backs
 - » Reduction in Technology services

Contractual Composition Trend

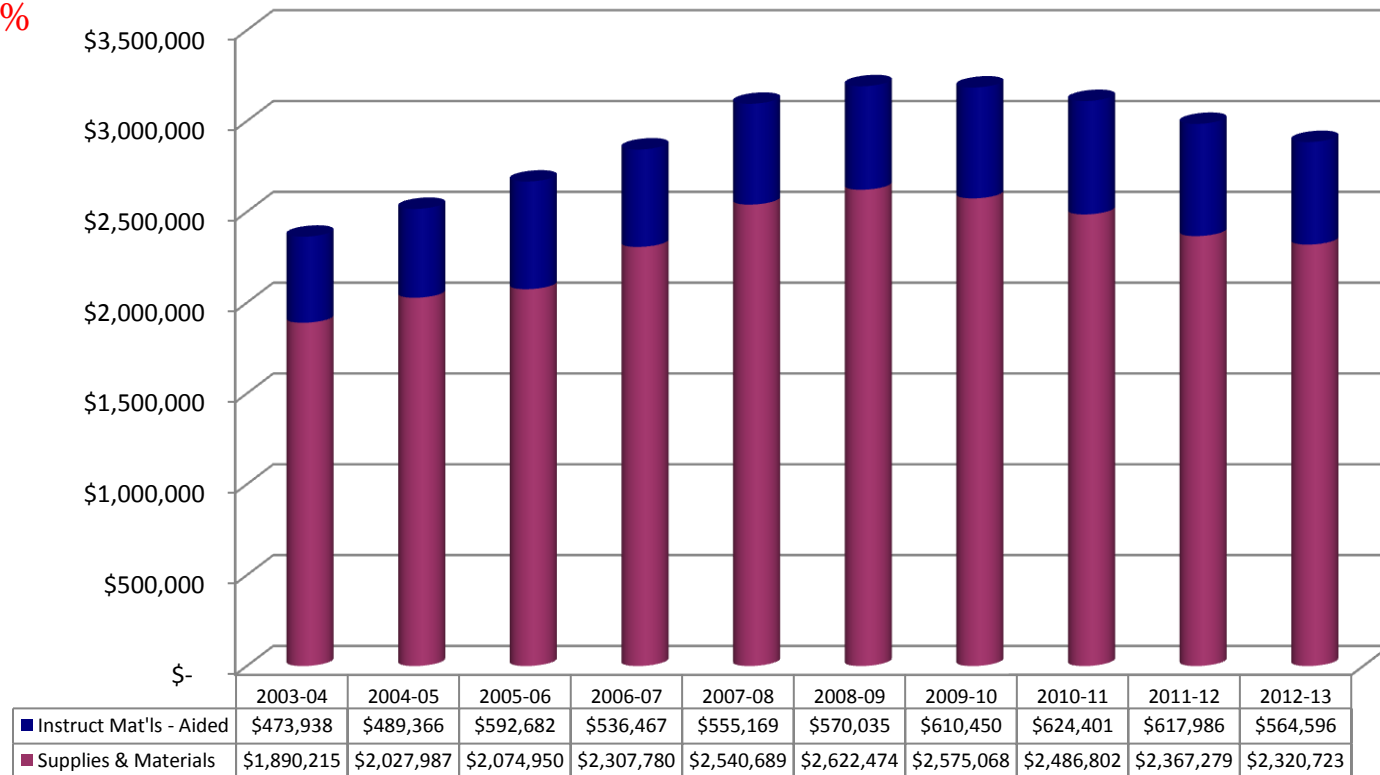


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• Supplies and Instructional Materials

- Total **-\$ 99,946 -3.35%**
- Instructional Material
 - Text and Library Books, Software
 - Are aided \$ for \$ based on a per student allocation
- District Supplies
 - Building Reductions
 - Paper
 - Standardized cleaning products
 - Parts inventory systems
 - Stabilizing of fuel prices

Supplies & Instructional Materials Trend



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• Undistributed Expenses

– **+\$1,095,971 +2.85%**

– **Debt Service -\$109,005 -1.23%**

- Now fully implemented and level
- *Refinance March 2012 will save \$2.6 million over next eight years*
- 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

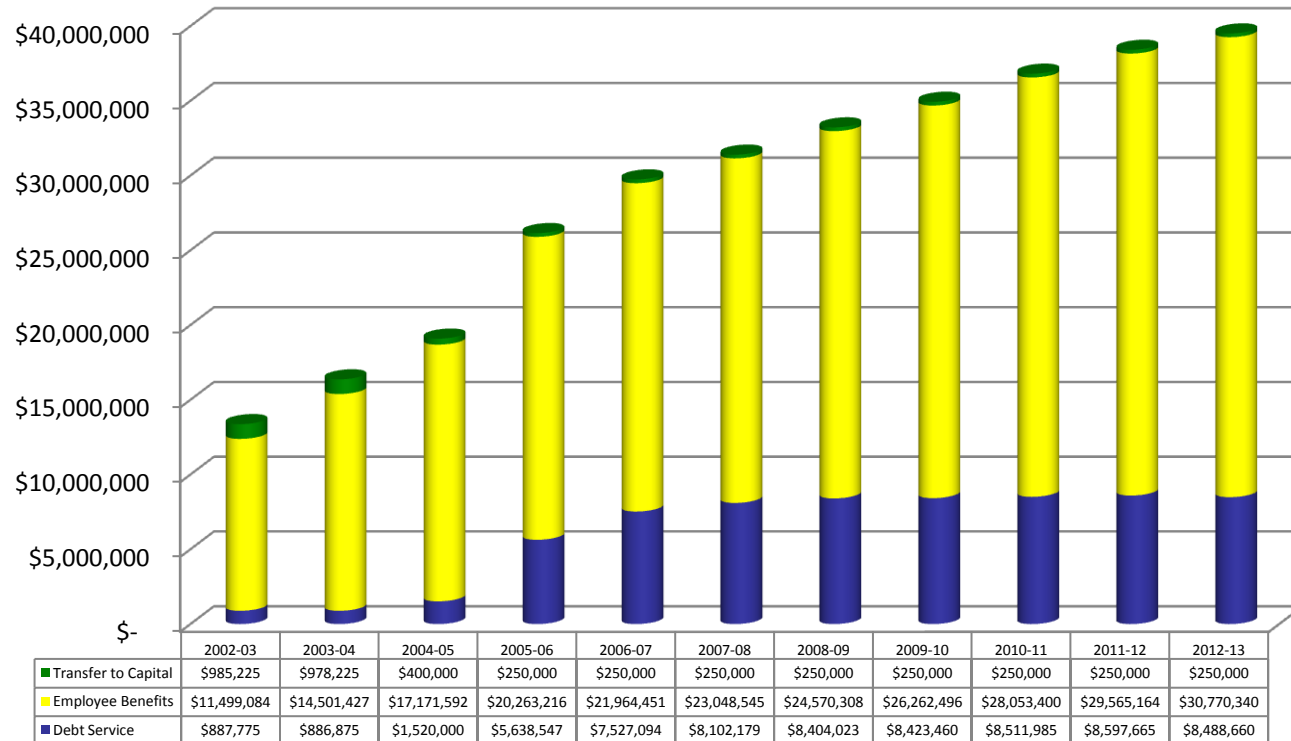
– Employee Benefits

- **+\$1,204,976 +4.08%**
 - 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 \$593,813 +8.2%

– Transfer to Capital

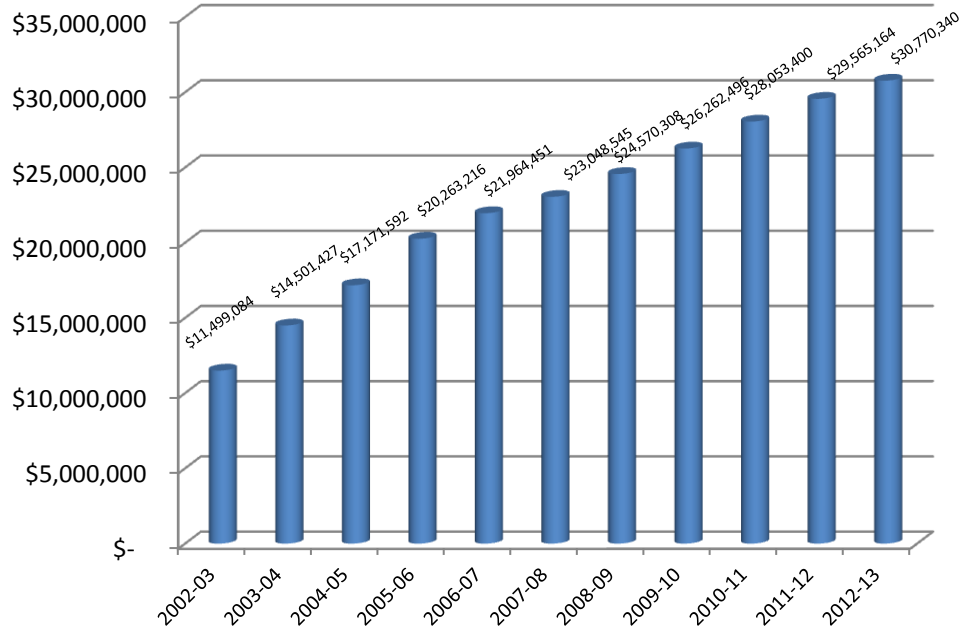
- Used to fund minor maintenance and repair projects to maintain facilities, infrastructure and equipment
- Projects may be aided by Building Aid
- Steady decline to nominal funding during the revitalization project
 - Project provided short term decreased need in maintenance projects
 - Reductions made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

Undistributed Composition Trend

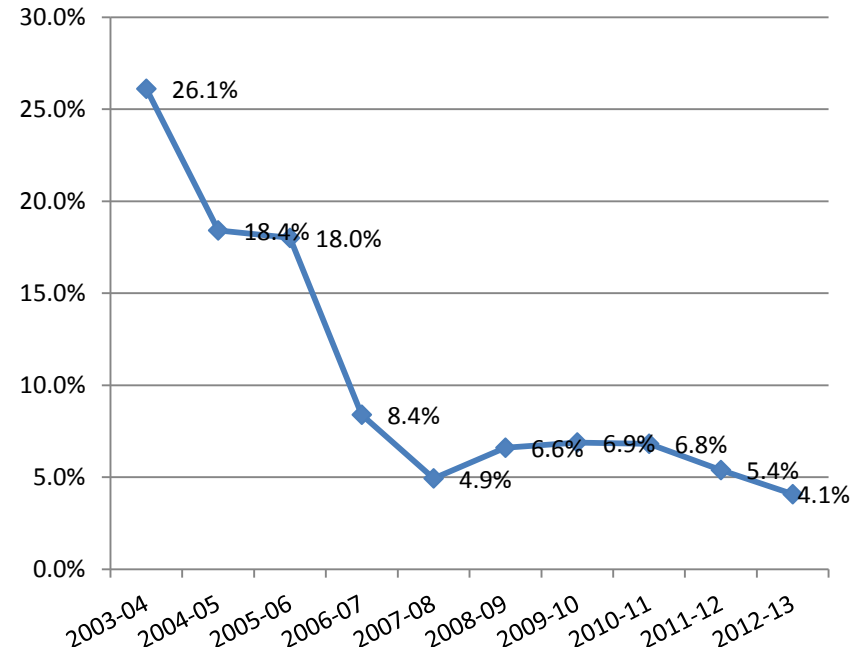


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Employee Benefits



Benefits Annual % Change



• The Facts About Benefits

- The District and area schools have instituted cost mitigation measures
 - Rochester Area Schools Health Plan Consortium (RASHP) is experiencing premium increases 1/3 that of community rated plans.
 - The Consortium has saved the District more than \$9 million over the previous seven years.
 - Employees now pay a portion of the cost.
 - The Base plan is now the lowest cost offering. If an employee elects a higher cost plan they pay the difference.
 - Retirement System Costs are the fastest growing cost.
 - In 2003 for the average teacher/employee, the District paid \$332 to the Teacher's Retirement System and \$152 to the ERS
 - In 2013 for the average teacher/employee, the District will pay \$9,954 to the Teacher's Retirement System and \$6,869 to the ERS
 - In the 2003-04 Budget, Benefits comprised 16% of the total budget, in 2012-2013 Benefits comprise 27% of the total budget.

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Examples

- Reductions and Impact – School Buildings
 - Equipment
 - Smart Boards and projectors
 - Interactive response systems
 - Student computers
 - Digital cameras
 - Instrumental and vocal music equipment
 - Replacement of student furniture
 - Contractual
 - Mounting of projectors
 - Field trips
 - Professional Development and related travel
 - Security camera's and keyless entry systems
 - Supplies and Materials
 - Paper/copying replace with use of website
 - English and 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 and 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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2012-2013 Draft #2 Revenue — As of February 28, 2012

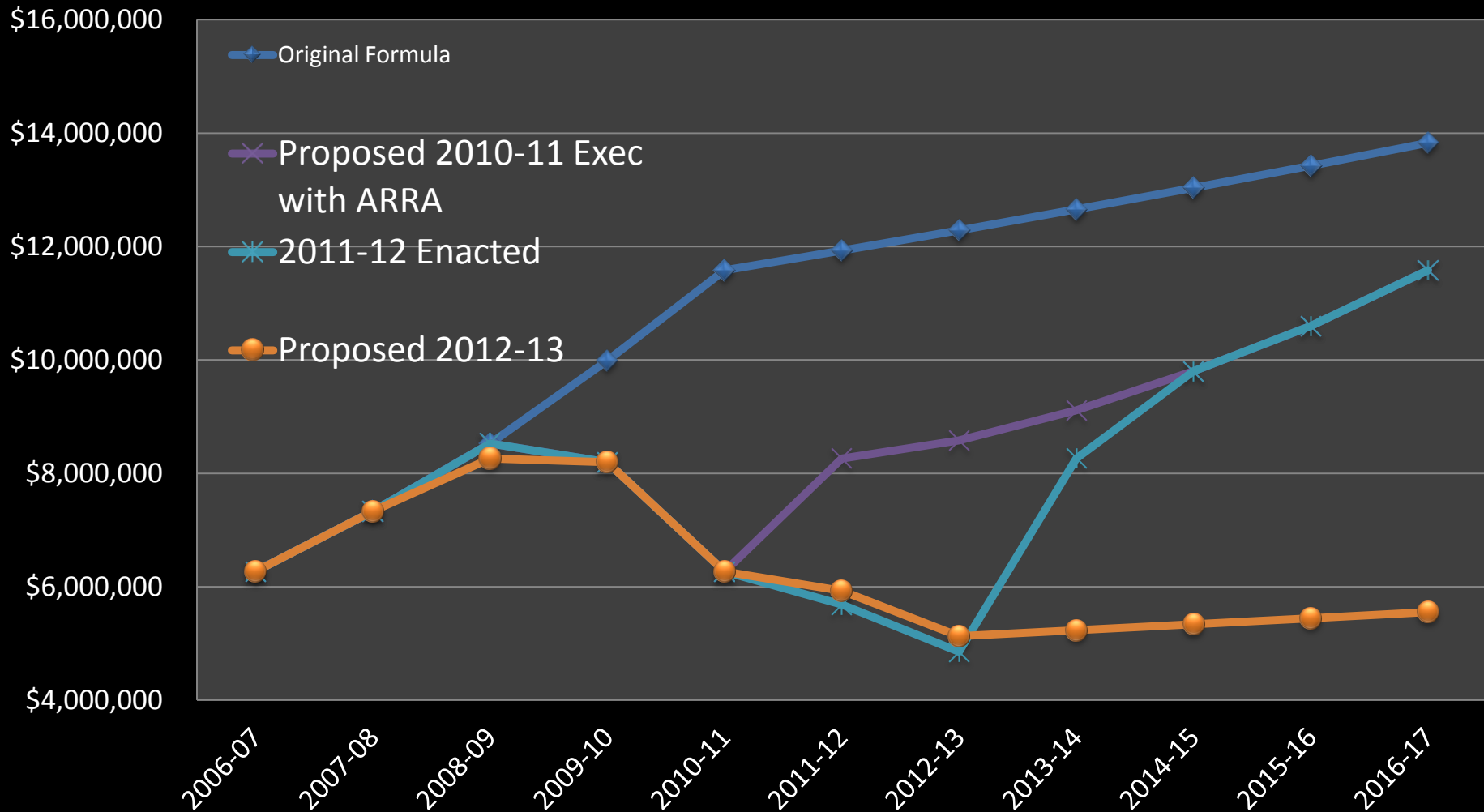
Revenues	2011-12 Adopted	Percent of Total Budget	2012-13 Draft Budget	Percent of Total Budget	Dollar Change	Percent Change
Pay In Lieu of Tax (PILOT)	1,287,041	1.2%	580,149	0.5%	(706,892)	-54.9%
Sales Tax	4,398,705	3.9%	4,500,000	4.0%	101,295	2.3%
Interest Earnings	125,000	0.1%	105,000	0.1%	(20,000)	-16.0%
State Aid (less Bldg Aid)	12,347,727	11.1%	12,141,010	10.7%	(206,717)	-1.7%
Building Aid	4,912,281	4.4%	5,010,642	4.4%	98,361	2.0%
Medicaid & Jobs Fund	881,007	0.8%	50,000	0.0%	(831,007)	-94.3%
Misc other	561,515	0.5%	620,767	0.5%	59,252	10.6%
Charges to Other Schools	278,000	0.2%	403,000	0.4%	125,000	45.0%
Appropriated Fund Bal	1,250,000	1.1%	1,250,000	1.1%	0	0.0%
Unemployment Reserve	25,000	0.0%	25,000	0.0%	0	0.0%
Emp. Benefits Liability Reserve	400,000	0.4%	400,000	0.4%	0	0.0%
Emp. Retire. Sys. Reserve	153,000	0.1%	153,000	0.1%	0	0.0%
Total Non-Property Tax Items	26,619,276	23.9%	25,238,568	22.3%	(1,380,708)	-5.2%
Property Tax Levy	84,971,450	76.1%	87,867,518	77.7%	2,896,068	3.4%
Total Revenue/Budget	111,590,726	123.9%	113,106,086	122.3%	1,515,360	1.36%

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.

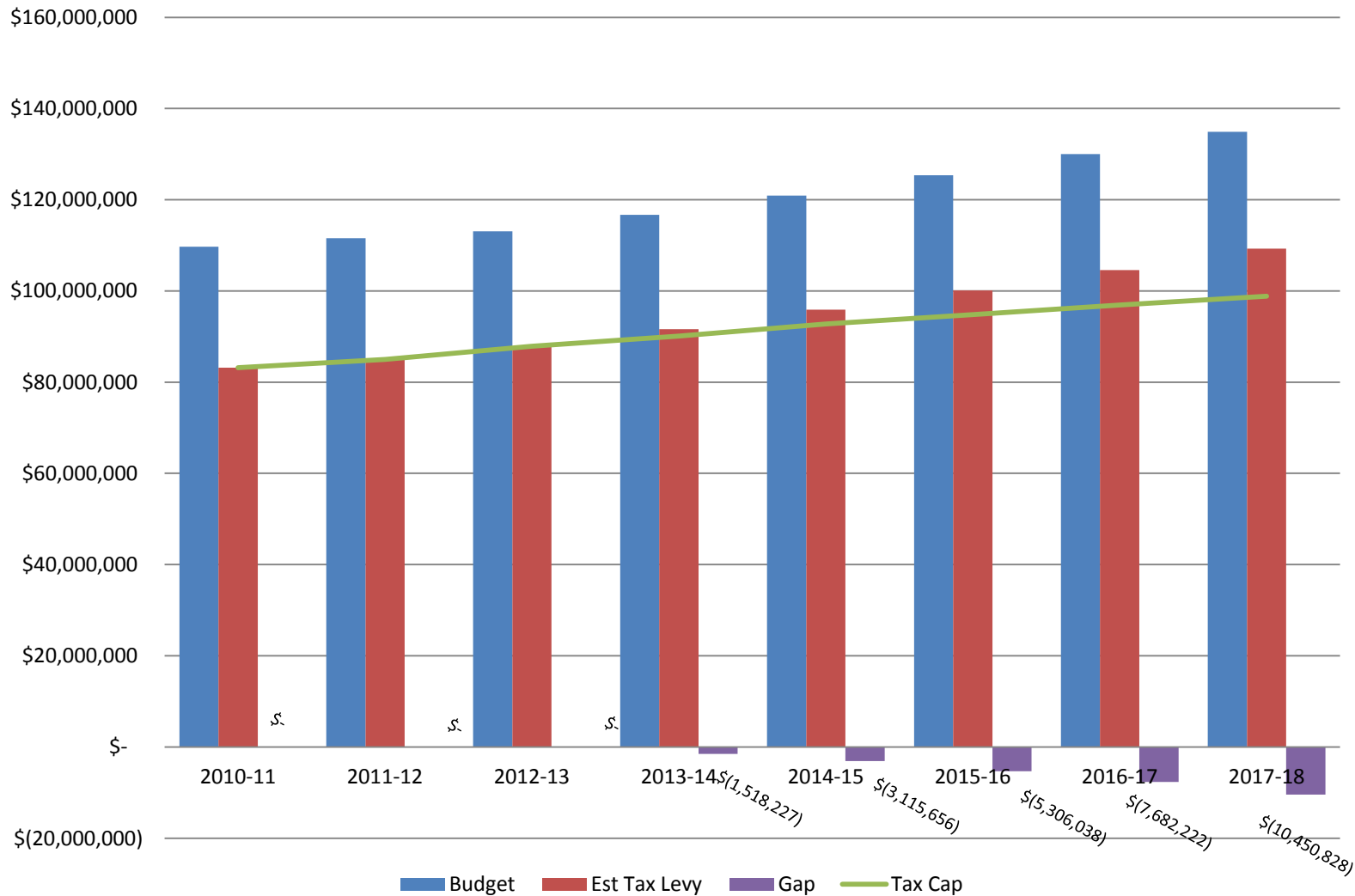
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Foundation Aid Formula Progression



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Five Year Projection - Based On 2012-13 Governor Proposal



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Proposition No. 1 Capital Reserve Fund - Purchase of Buses

- Purchase of ten replacement buses at a total maximum cost of \$1,087,000
 - Six - 66 passenger, \$111,167 ea.
 - Four - 36 passenger mini-bus, \$105,000 ea.
 - Trade-in allowance will reduce total cost
 - *Will not impact the tax levy*
 - Will generate approximately \$685,000 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 one million, eighty-seven thousand dollars (\$1,087,000), less trade-in allowance, to be used for the purchase of six replacement sixty-six passenger buses, and four replacement thirty-six passenger buses and communications equipment used in the operation of such buses.

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Budget Development Progression

	Budget	\$ Chg	% Chg		Tax Levy	\$ Chg	% Chg	Above/(Below) Levy Cap
2011-12 Approved	\$ 111,590,726				\$ 84,971,450			

2012-2013 Budget Development Progression								
Status Quo Budget	\$ 114,946,628	\$ 3,355,902	3.01%		\$ 89,762,084	\$ 4,790,634	5.64%	\$ 1,894,566
Draft #1 Reductions	<u>\$ (1,050,502)</u>				<u>\$ (1,050,502)</u>			
Draft #1 Run	\$ 113,896,126	\$ 2,305,400	2.07%		\$ 88,711,582	\$ 3,740,132	4.40%	\$ 844,064
Draft #2 Reductions	\$ (790,000)				\$ (790,000)			
Draft #2 Add'l Revenue	<u> </u>				<u>\$ (54,064)</u>			
Draft #2 Run	\$ 113,106,126	\$ 1,515,400	1.36%		\$ 87,867,518	\$ 2,896,068	3.41%	\$ -

1.5 FTE Reduction at both High Schools	<u>\$ (180,000)</u>				<u>\$ (180,000)</u>			
To get to 3.2% Levy	\$ 112,926,126	\$ 1,335,400	1.20%		\$ 87,687,518	\$ 2,716,068	3.20%	\$ (180,000)

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Work Session To Do's

- March 1 – Report required data to Comptroller
- March 19 – Board Work Session
 - Stay abreast of and implement changes
 - State/federal funding
 - Additional propositions
- March 22 – District Planning Team (DPT)
- April 17 – Board adopts Budget
- May 7 – Public Budget Hearing
- May 15 – Budget vote and Board election

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- Board of Education Questions and 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=44620>