

Pittsford Central School District

Budget Work Session #2
March 5, 2013



Pittsford Central School District 2013-2014 Budget Work Session

A g e n d a

Recap from last time

The Governor's NYS Budget Proposal

Impact on Pittsford

Revenue

What has changed since the last budget

Multi-year Budget Trends

Budget Highlights

Board approved Budget Guidelines

Next Steps

Timetable

Questions & Discussion



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2013-2014 Philosophy and Process

- 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 3.95%*
 - *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 services
 - Identify potential areas to abandon to promote the implementation of Federal, NYS and Board goals and initiatives



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State Aid – A Global Look

- **The Problem** – Projected budget deficit that the Executive Budget Proposal needs to close
 - Governor's Projections
 - 2013-14: \$1.4 billion
 - 2014-15: \$4.0 billion
 - 2015-16: \$5.2 billion
 - 2016-17: \$5.7 billion
- **TOTAL PROJECTED FOUR YEAR DEFICIT = \$16.3 billion**
- The Governor's Proposal eliminates the 2013-14 budget gap and significantly reduces the 2014-15 deficit from \$4 billion to \$1.95 billion.
 - Combined projected four year gap is reduced from \$16.3 billion to \$10.1 billion
 - Much of this was accomplished by including the Foundation Aid formula in the above estimates and then abandoning the formula for the future, thus an apparent deficit reduction.



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State Aid – A Global Look

- The Governor's Executive Proposal represents a 4.8% increase in total NYS General Fund Spending
- Proposed for 2013-14 K-12 Education funding

Category (in billions)	2012-13 Actual	2013-2014 Proposed	% Increase
Computerized Aids	\$ 19.853	\$ 20.404	2.8%
GSPS**	\$ 20.196	\$ 21.085	4.4%

**General Support for Public Education



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State Aid – A Global Look (continued)

- How is the GSPS Increase Distributed?

Aid Category	Footnote	In Millions of Dollars			
		2012-2013	2013-2014	\$ Chg	% Chg
Formula Based Aids		19,295.72	19,455.26	159.54	0.8%
Building Aid	1	2,714.11	2,783.33	69.22	2.6%
GEA	2	(2,156.28)	(1,834.73)	321.55	-14.9%
Grant Programs & Other		292.70	302.69	9.99	3.4%
Competitive Grants	3	50.00	100.00	50.00	100.0%
Fiscal Stabilization & Reform	4	-	278.05	278.05	
Totals		20,196.25	21,084.60	888.35	4.4%

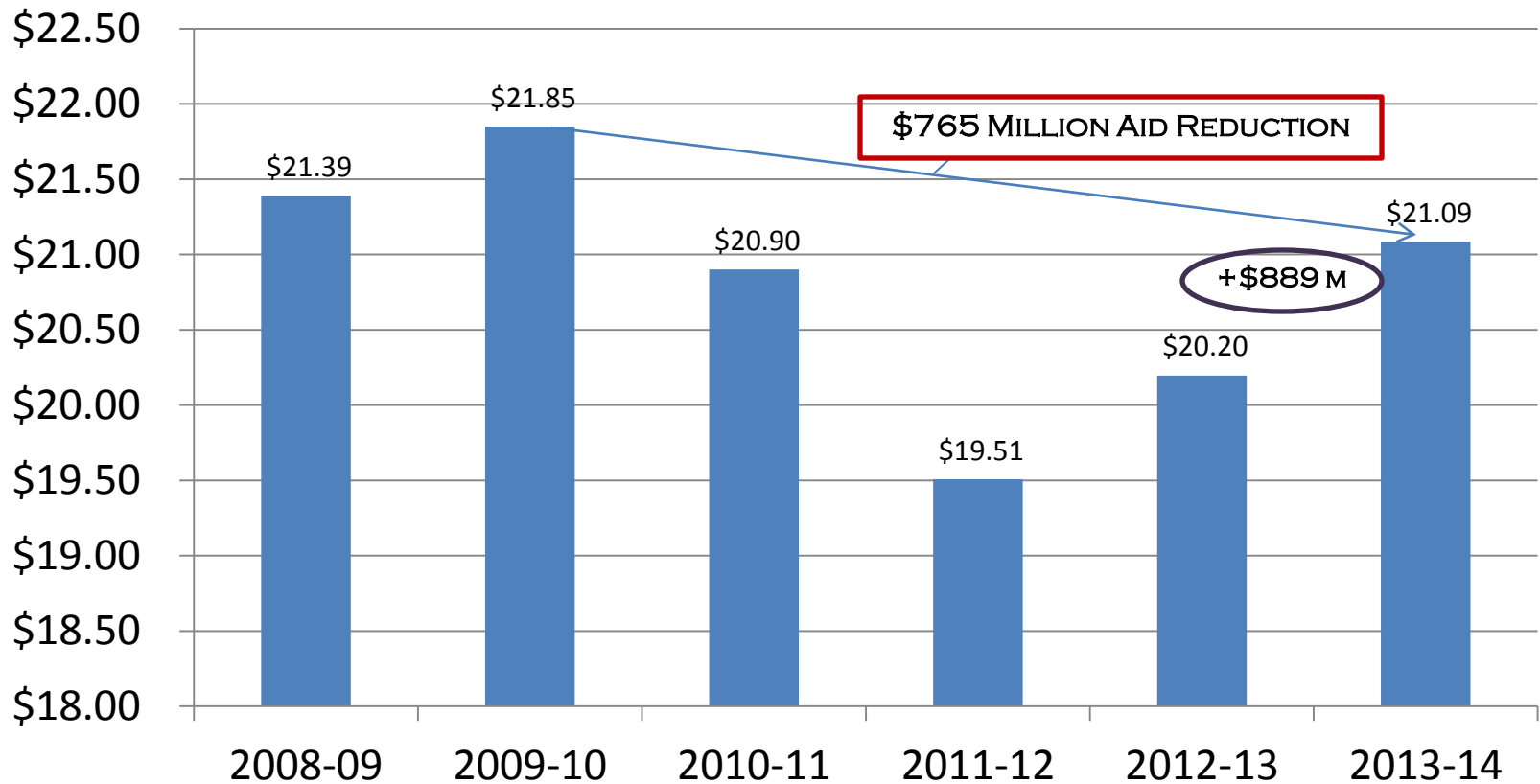
– Footnote Comments

- Building Aid is not tying out to formulas, appears to be errors
- Gap Elimination Adjustment – Introduced three years ago as a reduction of General Operation or Foundation Aid which has also been frozen for last six years
- Despite many schools that appeared to be eligible applying, few received approval. To date \$17m out of \$50 has been committed
- No more Federal American Reinvestment Recovery Act, Stabilization or Jobs Fund monies available to supplement the NYS budget (fiscal cliff)



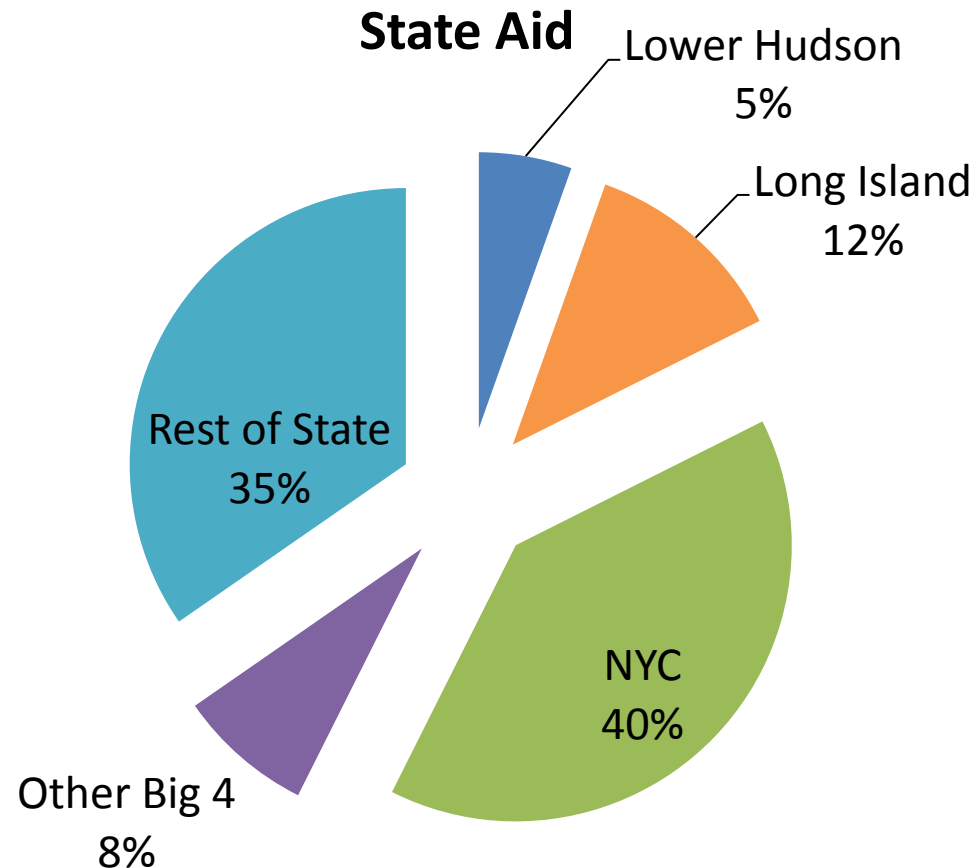
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Formula Based Aid in Billions



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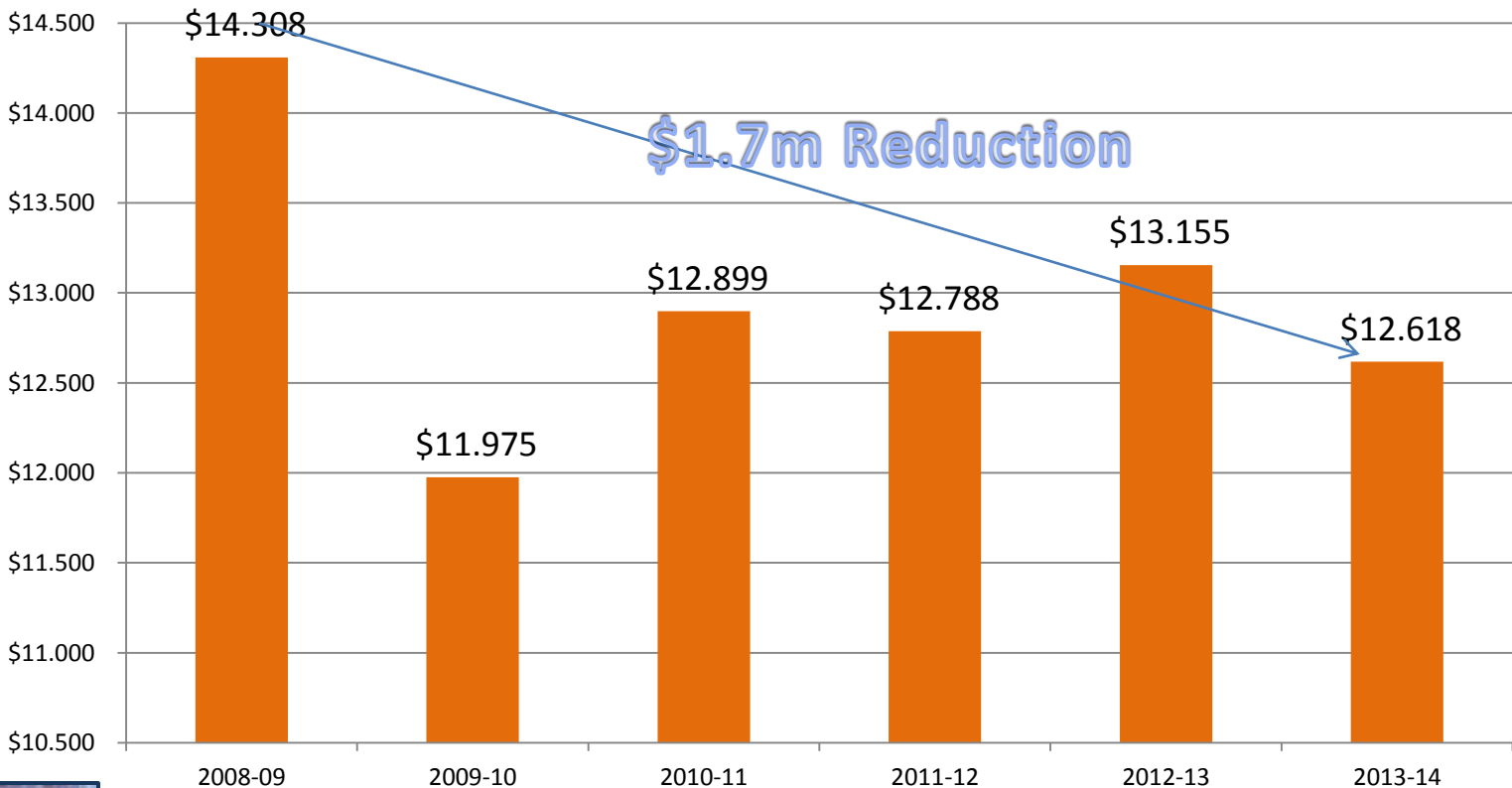
Where Does the State Aid go?



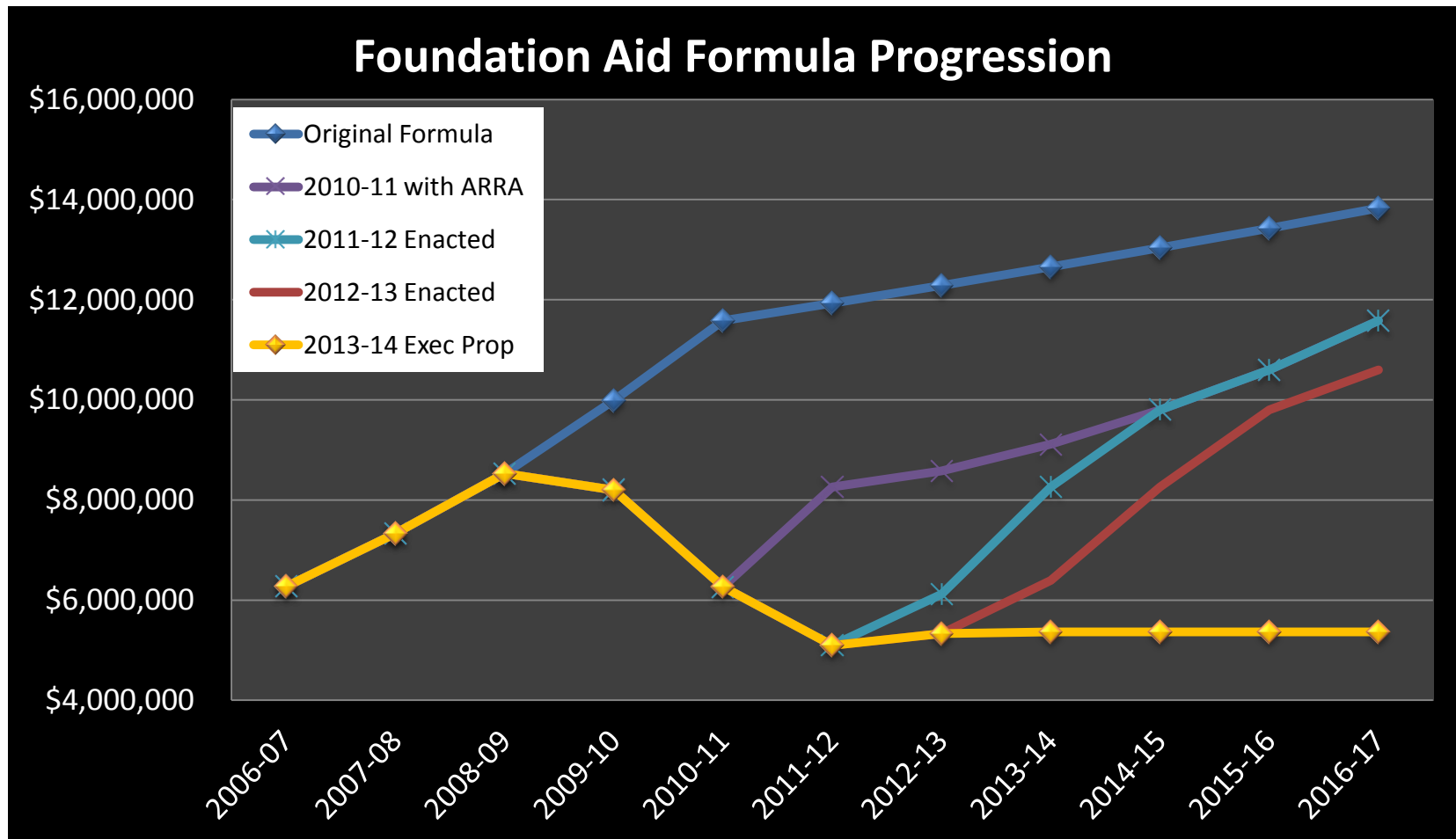
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Pittsford Specific Trend

Formula Aids For Pittsford CSD - in millions



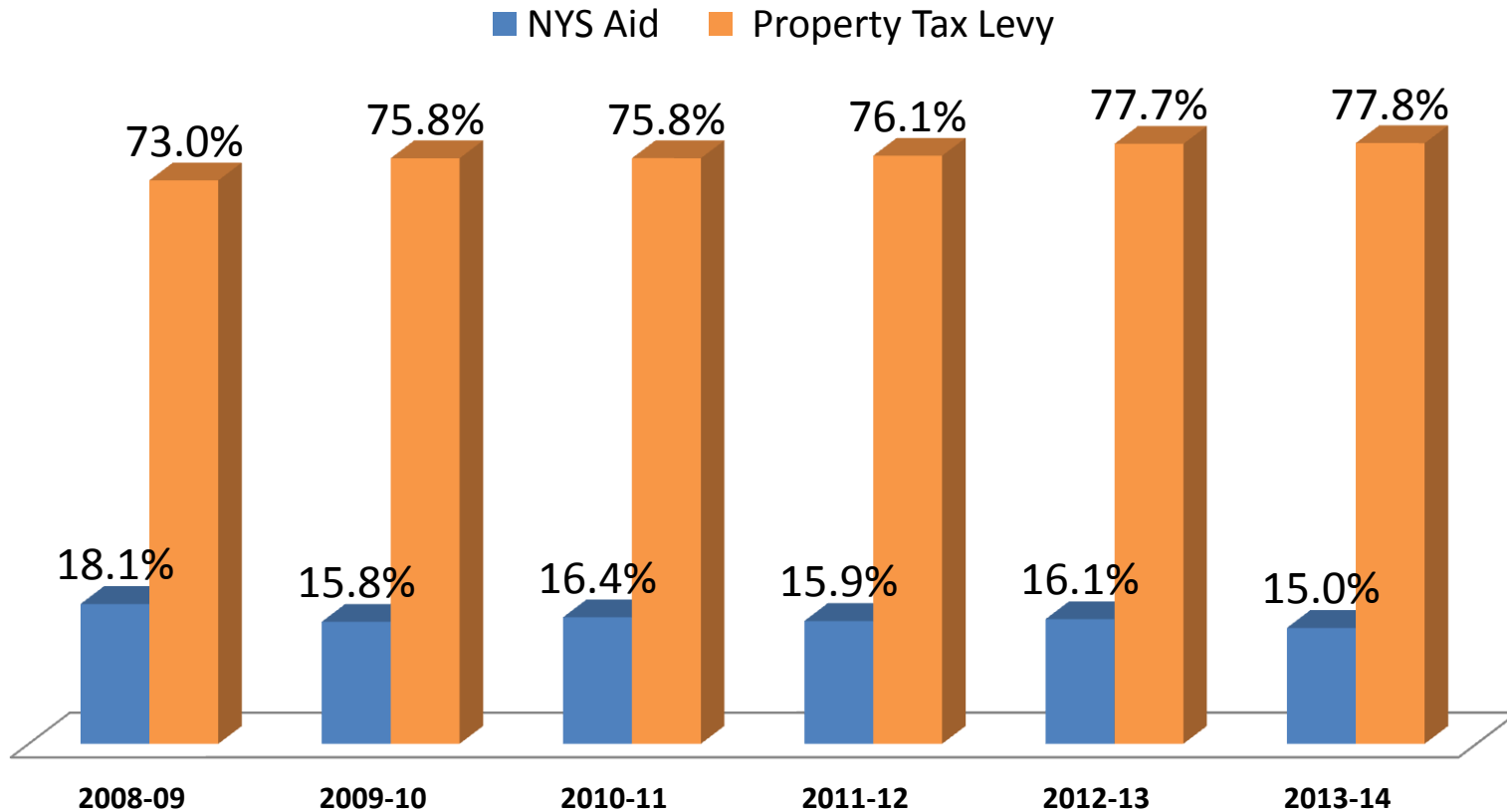
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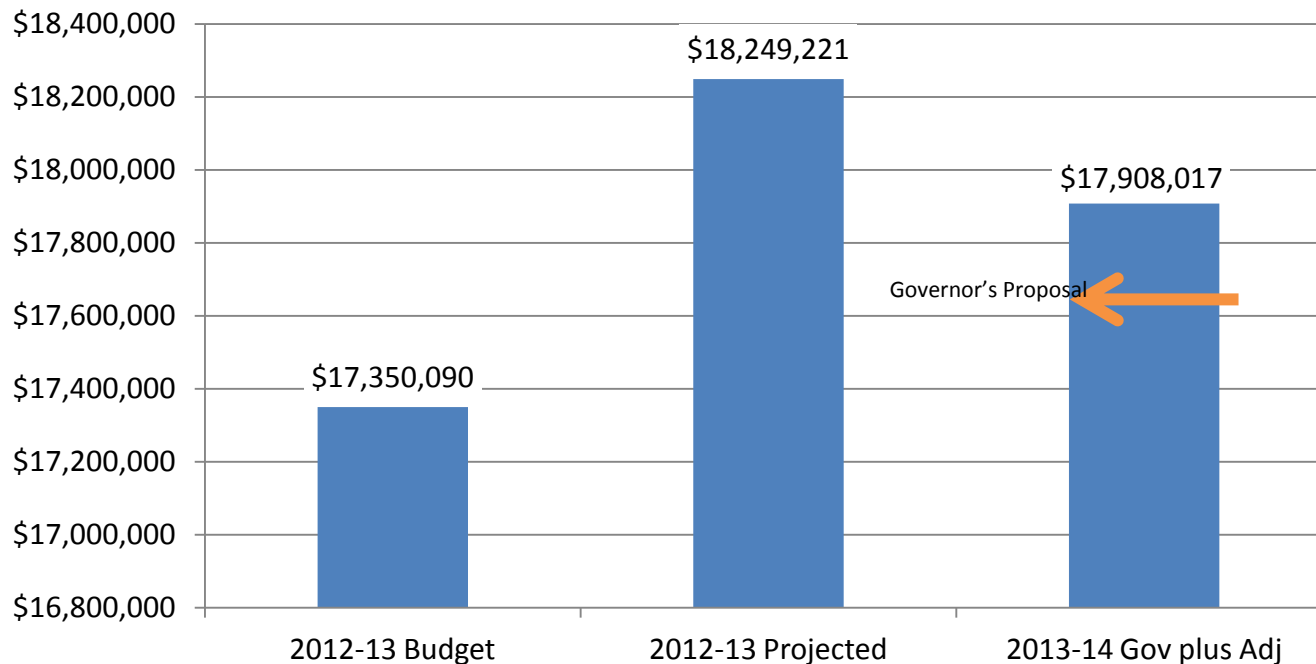
Who's Rewarding Academic Performance?

Percentage of Support for the Pittsford CSD Budget



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Total New York State Aid for Pittsford 2013-14 Budget



- Current year anticipated aid is greater than budgeted due to post June 30, 2012 year-end adjustments for BOCES and Urban Suburban Aid
- 2013-14 Governor's Proposal has Building, BOCES and Transportation Aids adjusted to reflect current law

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Putting it Together - Revenue

REVENUE – by major category	2012-2013 Adopted	2013-2014 Draft #1	Dollar Change	Percent Change
Property Tax Levy	87,709,370	90,980,106	3,270,736	3.73%
Pmts In Lieu of Tax	433,000	380,000	-55,000	-12.70%
Sales Tax	4,500,000	4,600,000	100,000	2.22%
Misc Fees & Other	1,147,735	1,117,482	-28,253	-2.46%
State & Federal Aid	17,428,271	17,958,017	529,746	3.04%
Use of Reserves	628,000	643,000	15,000	2.39%
Approp Fund Bal	1,300,000	1,300,000	0	0.00%
Total Budget	113,146,376	116,978,605	3,832,229	3.39%

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What has changed since last presentation?

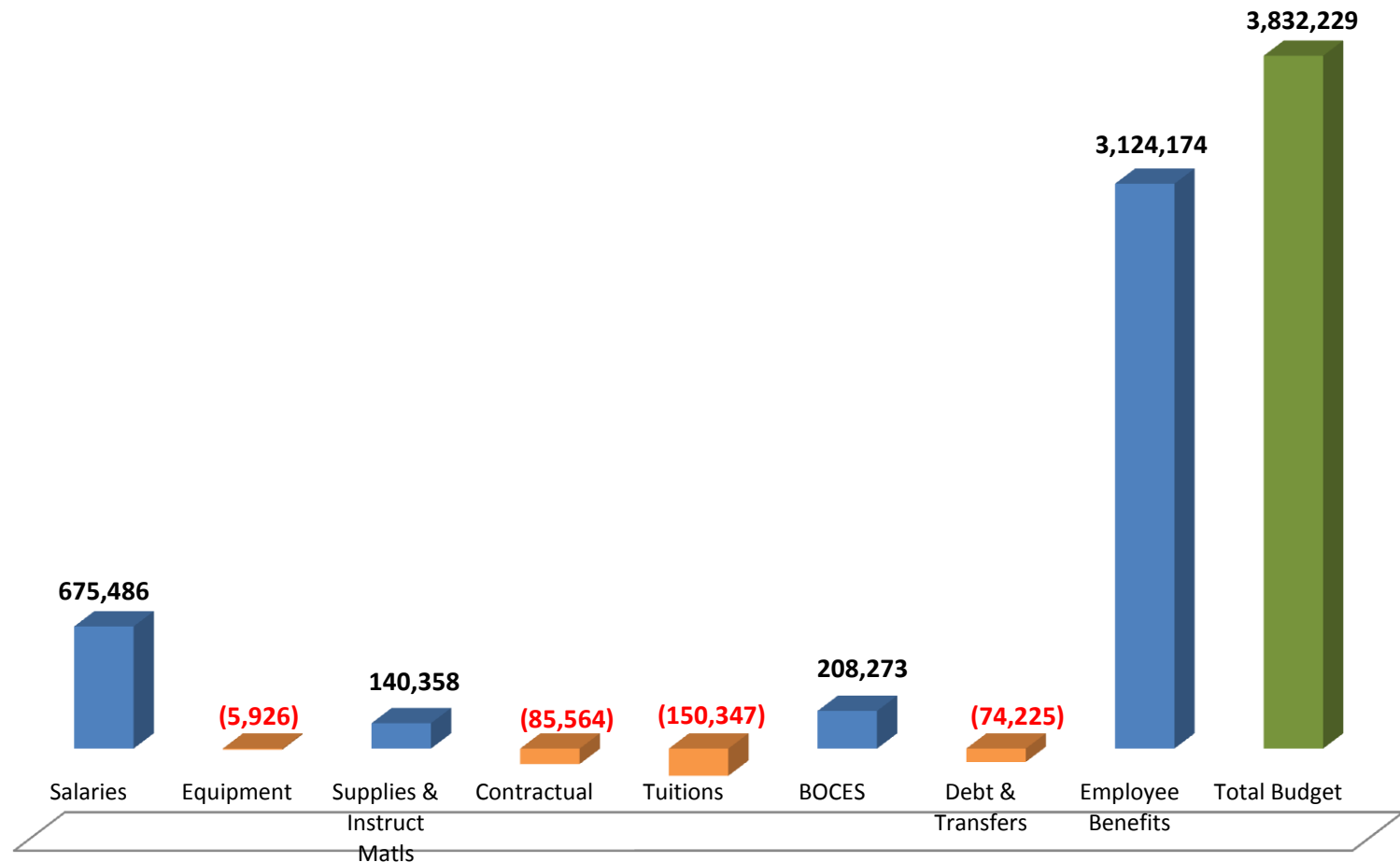
Object Code	Description	Detail	Object Code Subtotal
Salaries	Security Guard	\$ 23,826	
	IDEA Grant Reclass	\$ 13,797	
	Summer Curriculum per contract	\$ 10,000	
	Bus Drivers - Athletic & Special trips	\$ 19,151	
	Retirement Attrition Net Savings	\$ (599,326)	
	Total Net Salaries		\$ (532,552)
BOCES	Spec Ed and Career & Tech participation & BOCES Rate Adjustments	\$ 125,602	\$ 125,602
Benefits	Pensions & Health Insurance Rate Adjustment	\$ 303,272	\$ 303,272
Contractual	Private School Tuitions - New Student	\$ 25,000	
	Non Public Health Services - New School	\$ 8,626	
	Administrative Mentor - New hires	\$ 13,000	
	Reductions throughout	\$ (39,077)	
	Field Trip Allocation	\$ (2,800)	
	Total Net Contractual		\$ 4,749
Supplies	Student Services - CPR Training Equip	\$ 8,947	\$ 8,947
Total Adjustments to Status Quo Budget			<u>\$ (89,982)</u>



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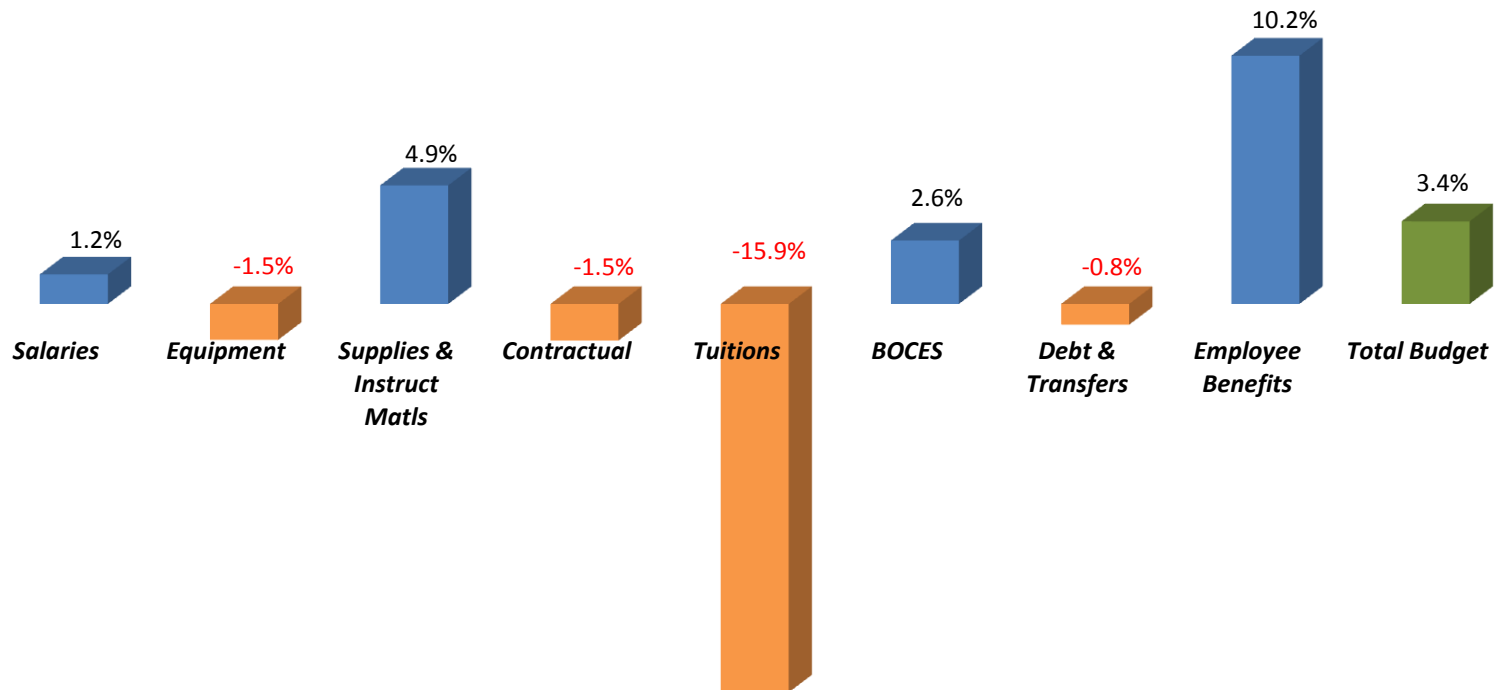
Dollar Change By Object of Expense

Budget Reductions in Red



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2013-2014 Projected Budget Percent Change by Object Code



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2013-2014 Composite Draft Budget

Salaries & Staffing

— + \$ 675,786 + 1.21%

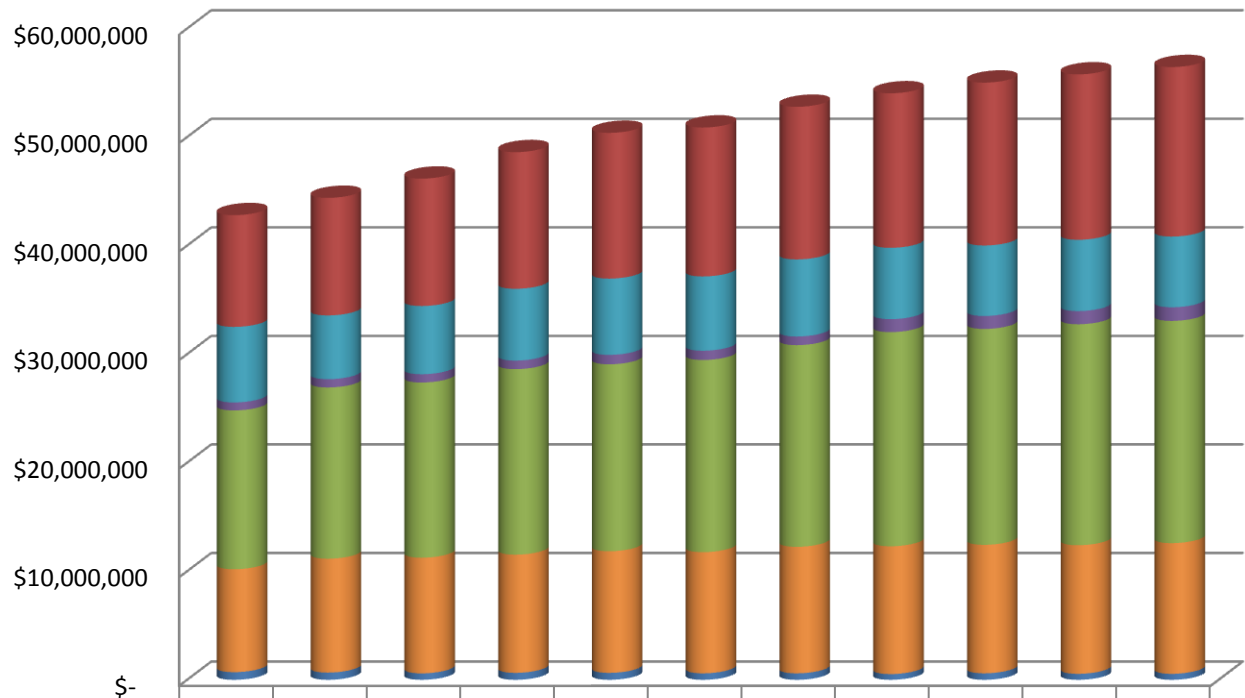
— Multi-year history nuances

- 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

— For 2013-2014

- Retirement Attrition – estimated net savings (\$658,000)
 - 18 Teachers
 - 1 Paraprofessional
 - 4 Administrative
- +1.0 Security to Sutherland
- Summer Teacher Hours per Contract
- +3.0 Bus Drivers – part time for athletic and special trips

Salary Composition Trend



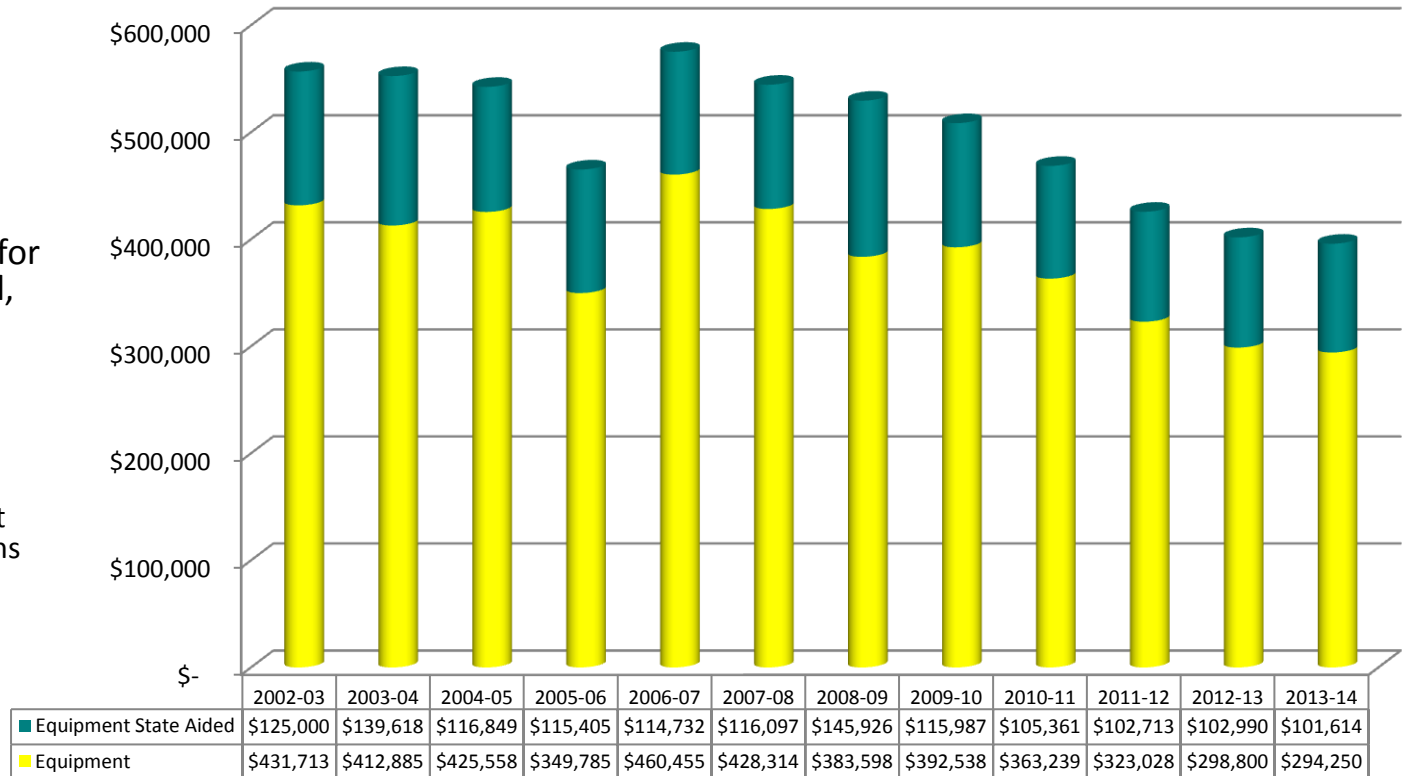
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• Equipment

— **-\$ 5,926 -1.47%**

- 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 **-\$ 27,638 -0.19%**

– Contractual

- **-\$ 85,564 -1.50%**
- Reduce copier leases and maintenance costs
- BOCES printing services
- Reduce conference and travel
- Reduction of non instructional program related consultants
- Utility saving measures

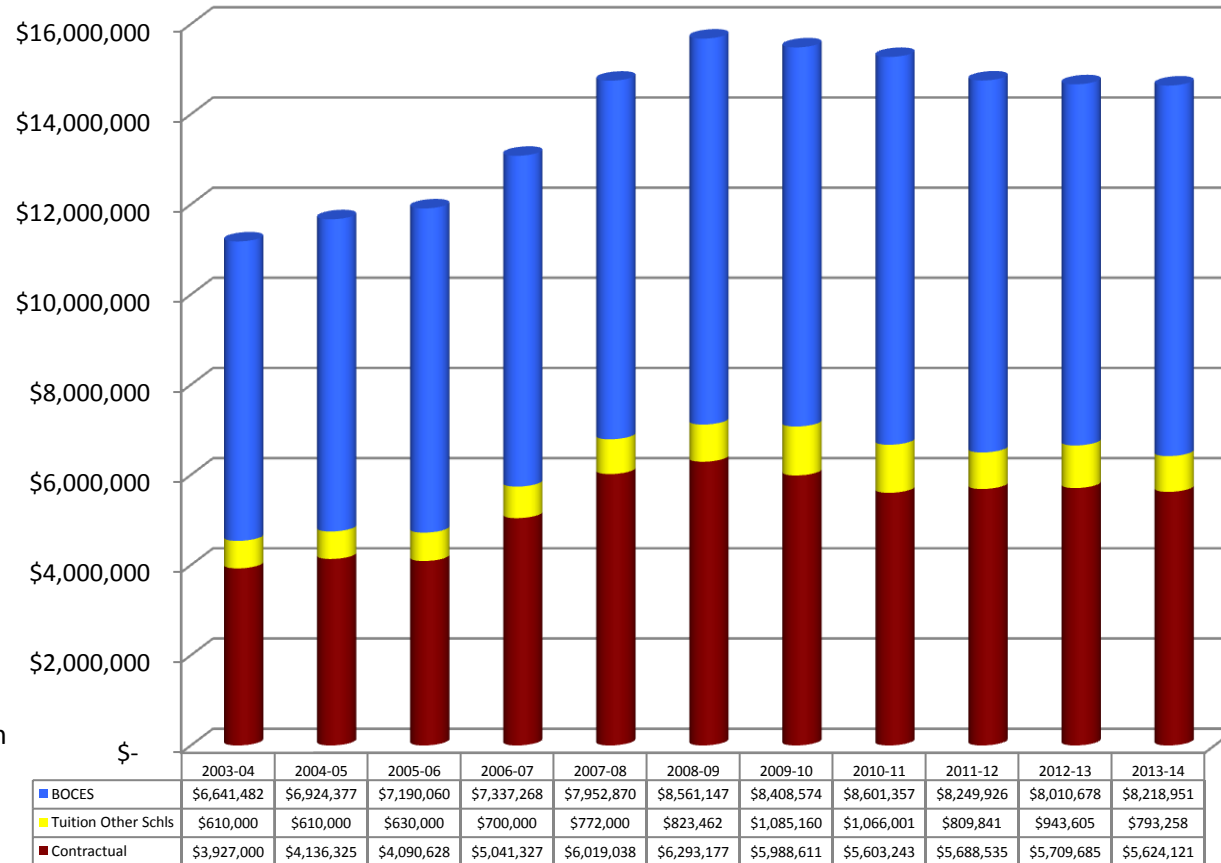
– Tuitions

- **-150,347 -15.93%**
- Increased cost of Special Education Placements
- Adjusted to billing from other schools for students attending programs out of District and New Law Amendment requires Special Aid Fund expense
- Some offsetting Revenue when we charge other Districts for services we provide to them

– BOCES

- **+208,273 + 2.60%**
- Increase in charge for BOCES services
- Reduction in services provided
 - » Spec Ed program take backs
 - » Reduction in Technology services

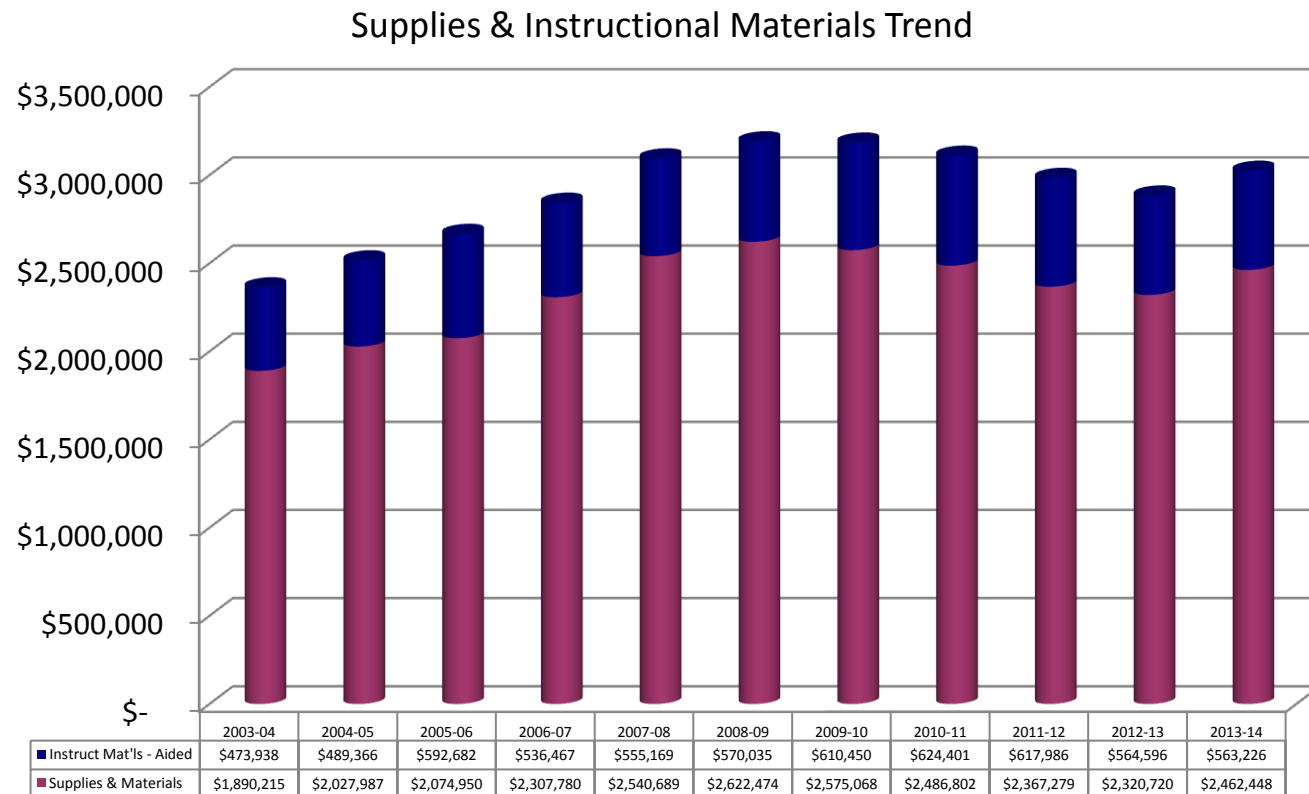
Contractual Composition Trend



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• Supplies and Instructional Materials

- Total **+\$ 140,358 +4.86%**
- 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
- 2013-14 items
 - Tires
 - Diesel and gasoline
 - CPR training devices



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• Undistributed Expenses

— **+\$3,049,949 +7.72%**

— **Debt Service -\$ 129,225 -1.54%**

- Now fully implemented and level
- *Refinance July 2012 will save \$2.2 million over next twenty 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

- **+\$3,124,174 +10.18%**
 - 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 \$1.8m +22.8%

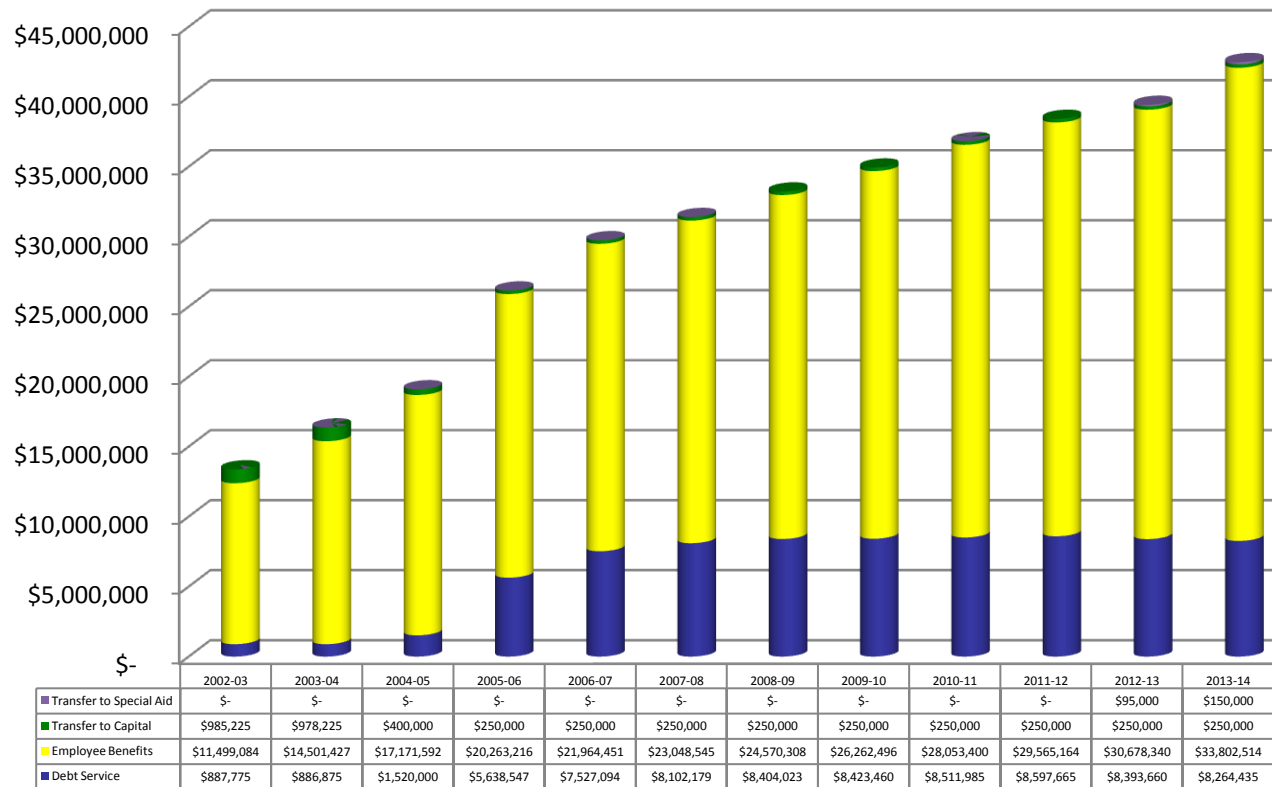
— Transfer to Capital

- 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

— Transfer to Special Aid Fund

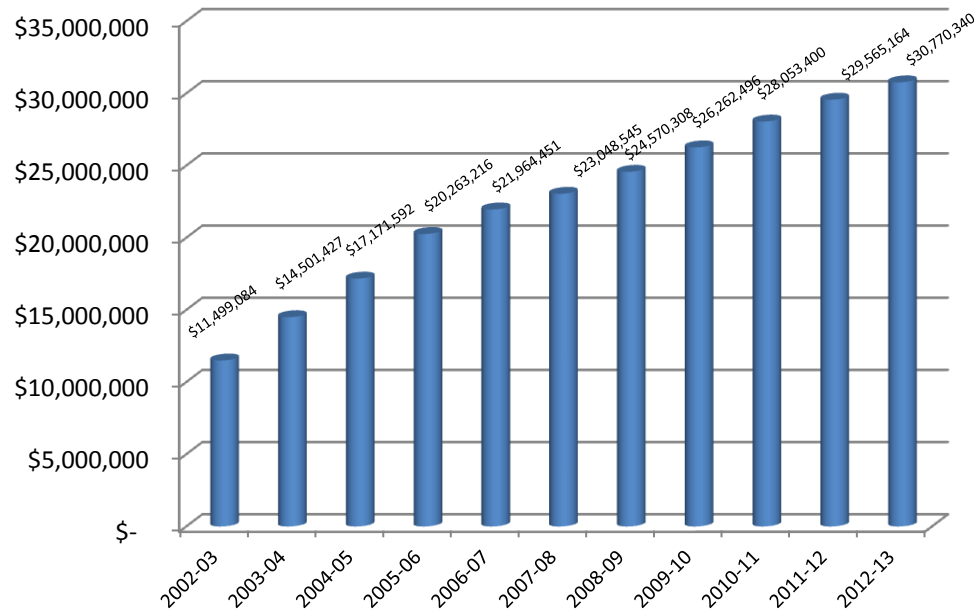
- Local portion of Spec Ed Summer Program (ESY) 20%
- Local portion of State Schools 20% NYS School for Blind and Deaf

Undistributed Composition Trend

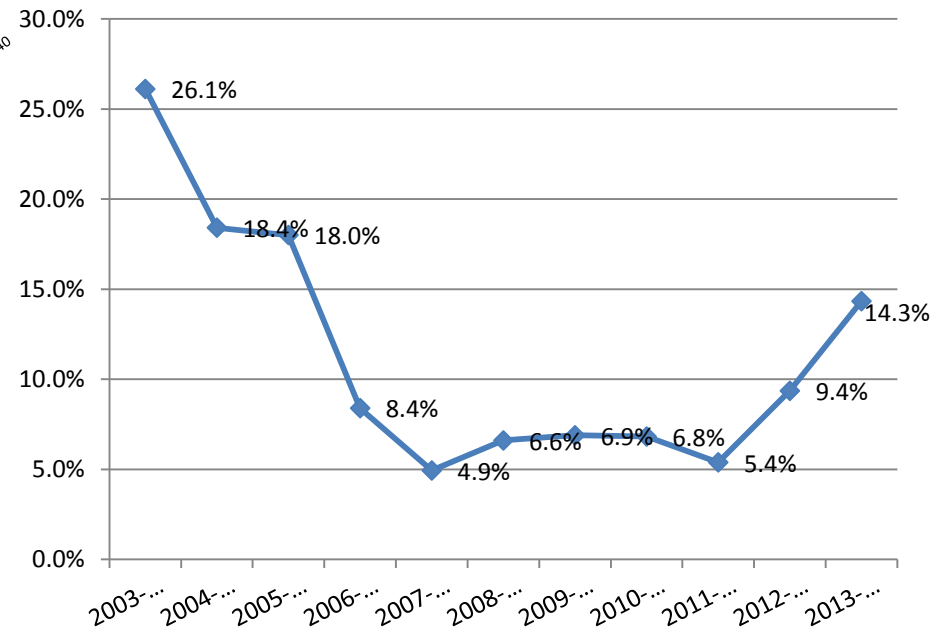


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Employee Benefits



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 2014 for the average teacher/employee, the District will pay \$13,661 to the Teacher's Retirement System and \$7,632 to the ERS
 - In the 2003-04 Budget, Benefits comprised 16% of the total budget, in 2013-2014 Benefits comprise 29% of the total budget.

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Putting It Together - Appropriations

Object of Expense	2012-2013 Adopted	2013-2014 Draft #1	Dollar Change	Percent Change
Salaries	55,778,302	56,453,778	675,476	1.21%
Benefits	30,678,340	33,802,514	3,124,174	10.18%
Equipment	401,790	395,864	-5,926	-1.47%
Contractual & Tuition	6,767,717	6,530,708	-237,009	-3.50%
BOCES	8,010,675	8,218,961	208,286	2.60%
Supplies & Aided Mats	2,770,892	2,912,345	141,453	5.10%
Debt Service & Transfers	8,738,660	8,664,435	-74,225	-0.85%
Total Budget	113,146,376	116,978,605	3,832,229	3.39%

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2013-2014 Proposed Budget Quick Facts

- Proposed Budget Increase 3.39%
 - Benefits comprise 82% of the increase with NYS Pensions being the driving force
- The Property Tax Levy Cap 3.95%
- The Proposed Tax Levy 3.73%
- Estimated Tax Rate Increase 2.93%
 - Continue to work with Assessors on assessment and PILOT estimates (subject to change)



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2013-2014 Budget Guidelines

IMPORTANT - Due to the importance of each guideline, the following bullets are NOT listed in a specific prioritized order.

- ❖ Develop a ***STUDENT BASED BUDGET*** focused on excellence in student learning and achievement for today and into the future.
- ❖ Support implementation of the District's comprehensive Action Plan Addressing:
 - Rigorous 21st century curriculum, Common core Standards and associated assessments
 - Data informed practices including collaborative inquiry, evidence-based supervision/evaluation and responsive instruction/intervention
- ❖ Provide support and resources for strategic planning actions:
 - Further development of the new 2013-2017 strategic initiative on student learning
 - Revision of the District Mission, Vision, and Values statements
 - Implementation of the annual operational goals
- ❖ Meet legal mandates and contractual obligations
- ❖ Provide for fiscal stability into the future:
 - Maintain financially prudent and sustainable reserve accounts
 - Protect the community's investment in facilities and infrastructure
- ❖ Manage the impact of investment in education with sensitivity to limited community resources:
 - Seek opportunities to maximize current revenue and develop new revenue sources
 - To the degree possible, reduce expenses in areas most removed from direct student contact
 - Seek cost efficiencies to further address the costly impact of unfunded mandates
 - Balance community expectations for services and programs, while being cognizant of changes in property values, income levels, and economic uncertainties
 - Manage impact of revenue reductions and tax levy cap enactment

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Work Session To Do's

- March 18 – Board Work Session
 - Stay abreast of and implement changes
 - State/federal funding
 - Additional propositions
 - Security and safety measures
- March 21 – District Planning Team (DPT)
- April 22 – Board adopts Superintendent's Budget
- May 13 – Public Budget Hearing
- May 21 – Budget Vote and Board Election

