



2023 – 2024 UNDISTRIBUTED BUDGET

Pittsford Schools

March 14, 2023



What is the “Undistributed Budget”?

Expenses that support all areas in the budget. Includes debt service, interfund transfers, legal fees, insurance fees and employee benefits.

- The budgeting and accounting of undistributed expenses are governed by the Office of the NYS Comptroller and the Uniform System of Accounts.
- The system remains in place partially due to the numerous reports that feed databases and decisions on State Aid, mandates, etc. that are predicated on the Uniform System of Accounts.
- Percentages and estimates are used when analyzing the District’s internal budgeting and decision-making process as it relates to the analysis of spending by location or program.

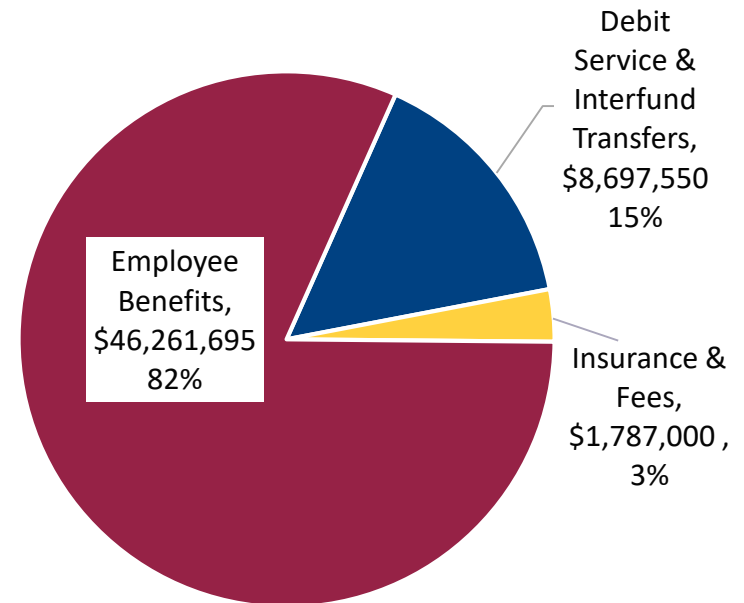
Undistributed Budget Breakdown

Three Main Budget Categories:

1. Debt Service & Interfund Transfers
2. Insurance, Judgments & Fees
3. Employee Benefits

Total Budget = \$56,746,245
(36.5% of the Total District Budget)

Proposed 2023-24 Undistributed Budget \$56.7 million

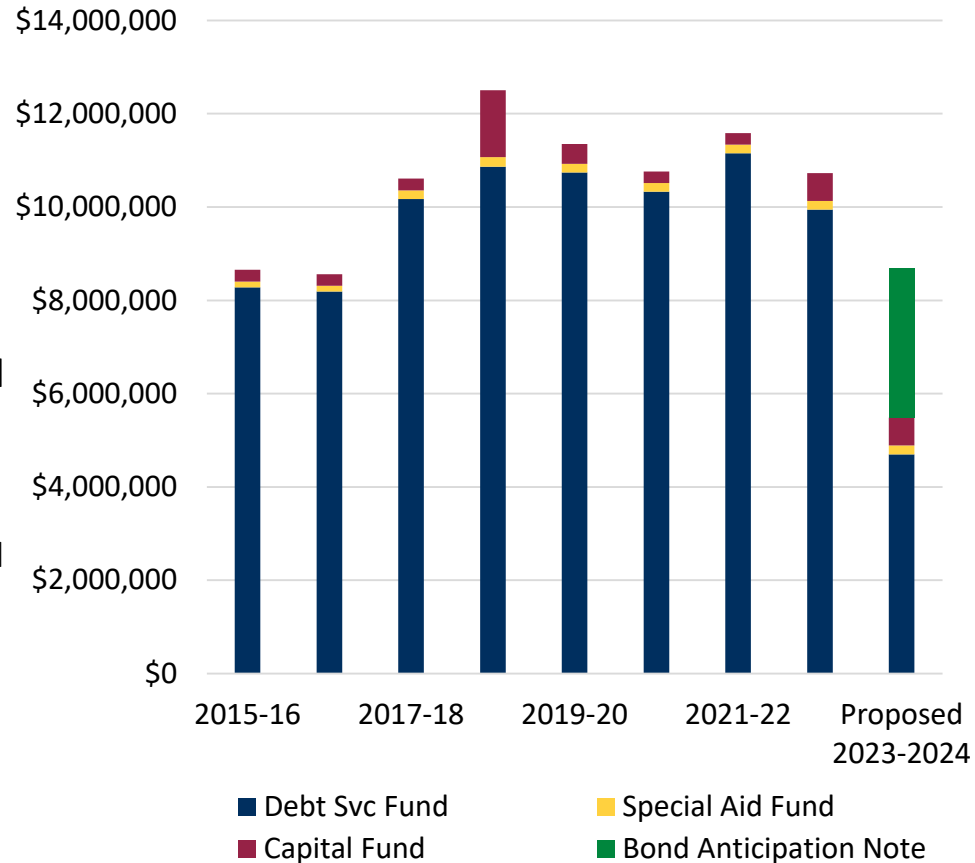


1. Debt Service & Interfund Transfers

\$8,697,550 -18.9% (\$2,029,275)

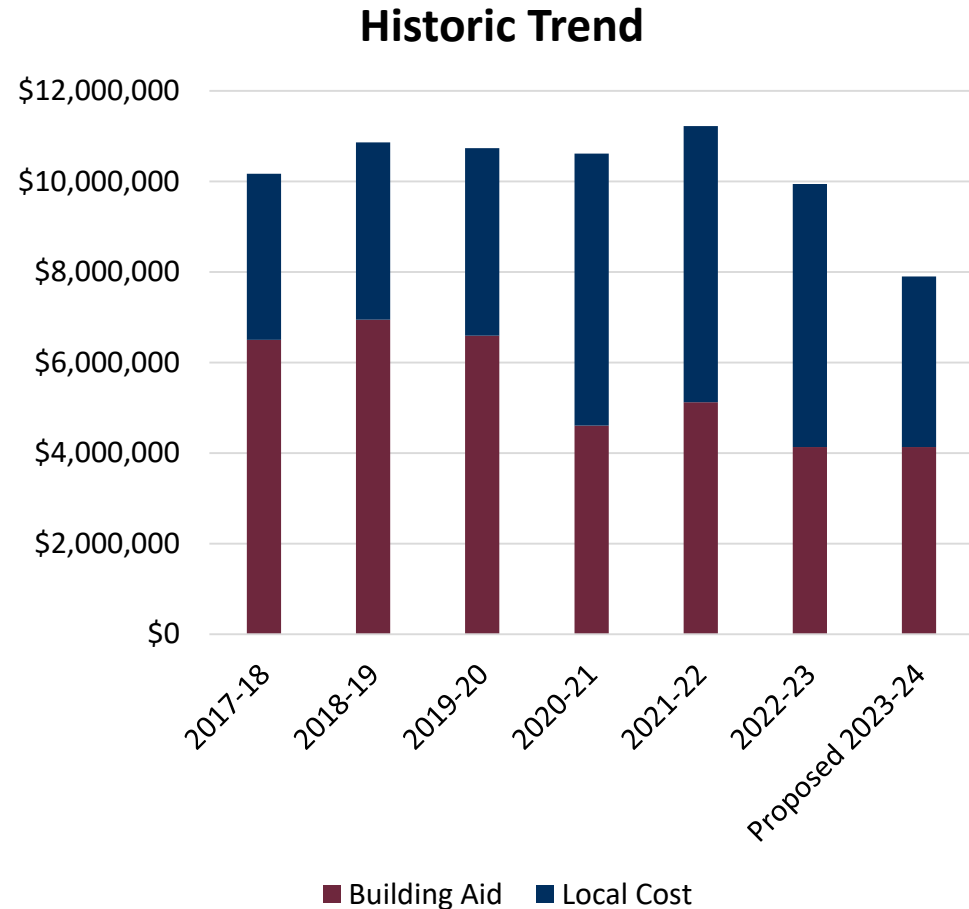
- Debt Service is the re-payment of debt (similar to a mortgage)
 - Pre-approved by the Board and voters at a Capital Project Referendum (vote)
 - Each annual payment is transferred to the Debt Service Fund
 - BOCES Capital Projects paid in full
- Interfund Transfers: budgeted money transferred to other funds for specific purposes
 - Special Aid Fund is for the Extended School Year program (ESY) or Special Education Summer School program. The general fund pays for the portion that is not reimbursed by state aid
 - Transfer to Capital for minor maintenance and repair projects and emergency repairs and equipment and infrastructure replacements

Historic Trend



1. Debt Service

- Determination of budget amount:
 - Based on debt service schedule prepared by the district’s Fiscal Advisor
- Goals:
 - To match the debt service schedule with expected building aid in order to minimize the impact on the local share which impacts the tax cap calculation
 - Plan Capital Improvement Projects in conjunction with retiring debt: “Level Debt Concept”
 - As debt from one project expires have debt from new project begin



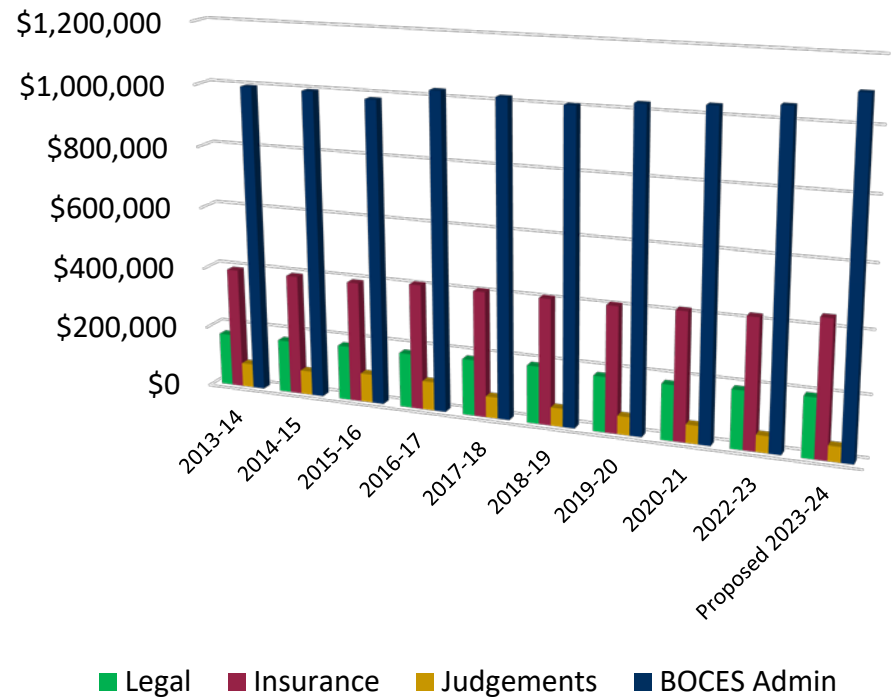
2. Insurance, Judgments & Fees

\$1,787,000 +4.11 +\$70,616

Budget For:

- Legal Fees \$136,000 +2.86%
- Records Management \$59,000 +7.27%
- General Insurance \$442,000 +4.7%
 - Liability & Property
 - Student Accident
- Judgments and Assessments \$50,000
 - Court proceedings
 - Various Governmental fees
- Board Of Cooperative Education Services (BOCES) Administrative Costs \$1,100,000 +4.82%
 - Certain administrative and retiree costs are prorated to the component (shareholder) districts
 - Facility Costs

BOCES Admin/Capital & Miscellaneous Unallocated Expenses \$1.78 million

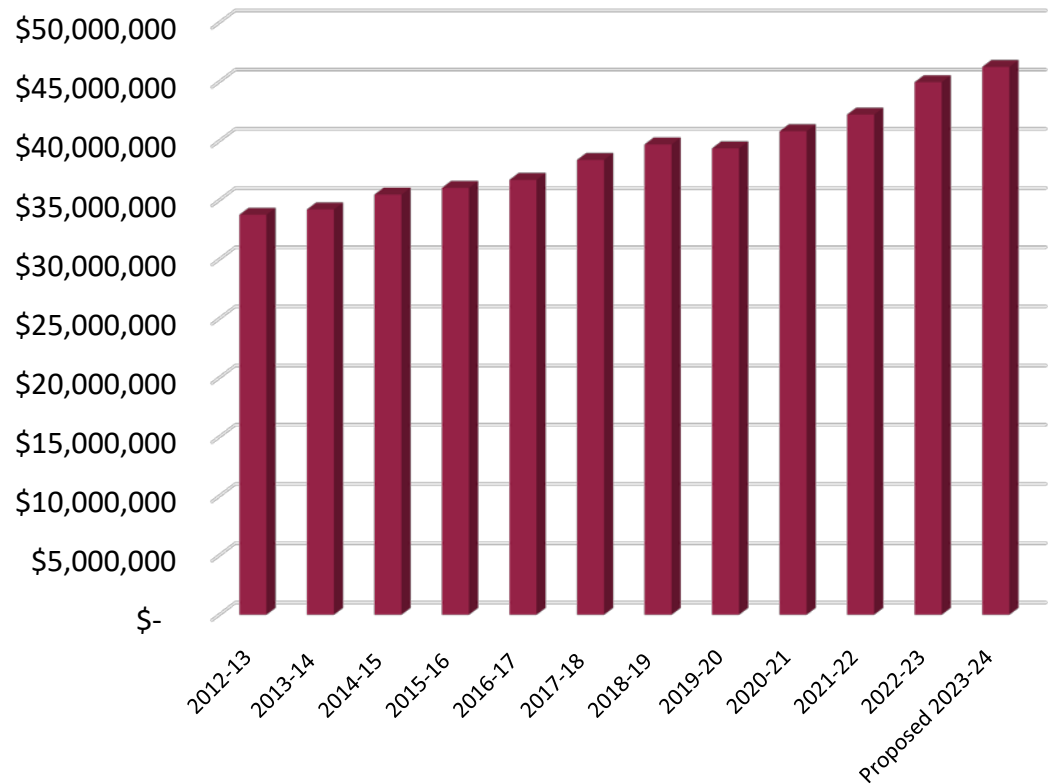


3. Employee Benefits

\$46,261,695 +2.87% +1,289,627

- Teacher In-service
- Retirement Systems – rates set by NYS
 - NYS Employee (ERS rate +1.5%) overall budget +5.21%
 - NYS Teachers (TRS rate -.53) overall budget -1.81%
- Employer Social Security (FICA)
- Employee Benefit Insurances
 - Worker’s Compensation - consortium
 - Life Insurance
 - Unemployment
 - Disability
 - Medical & Dental – consortium
 - Medicare
- Separation Payments – Accrued benefits upon separation from employment

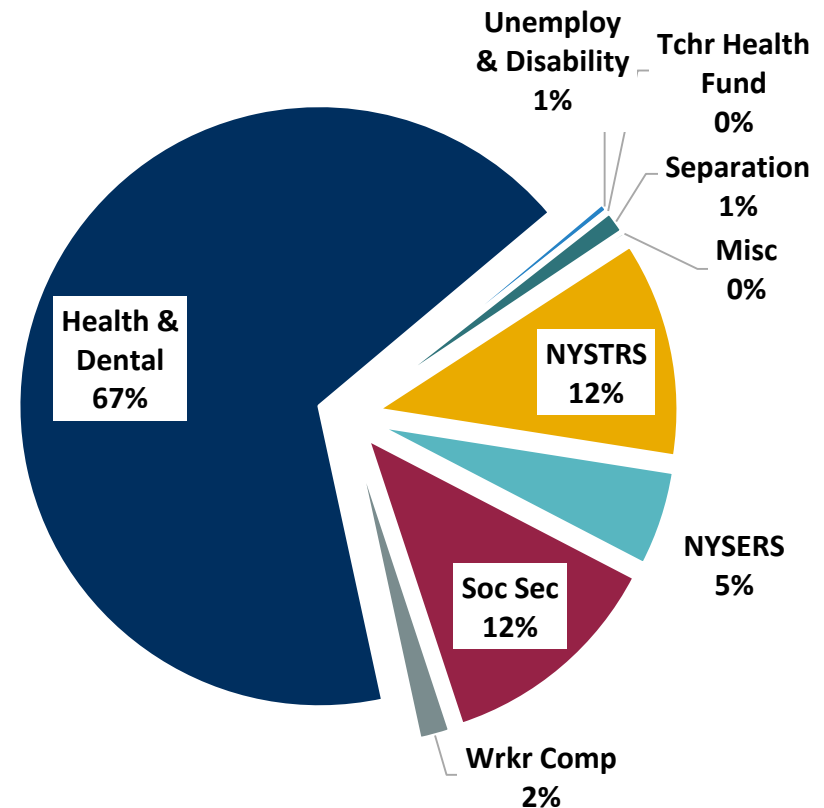
Employee Benefits



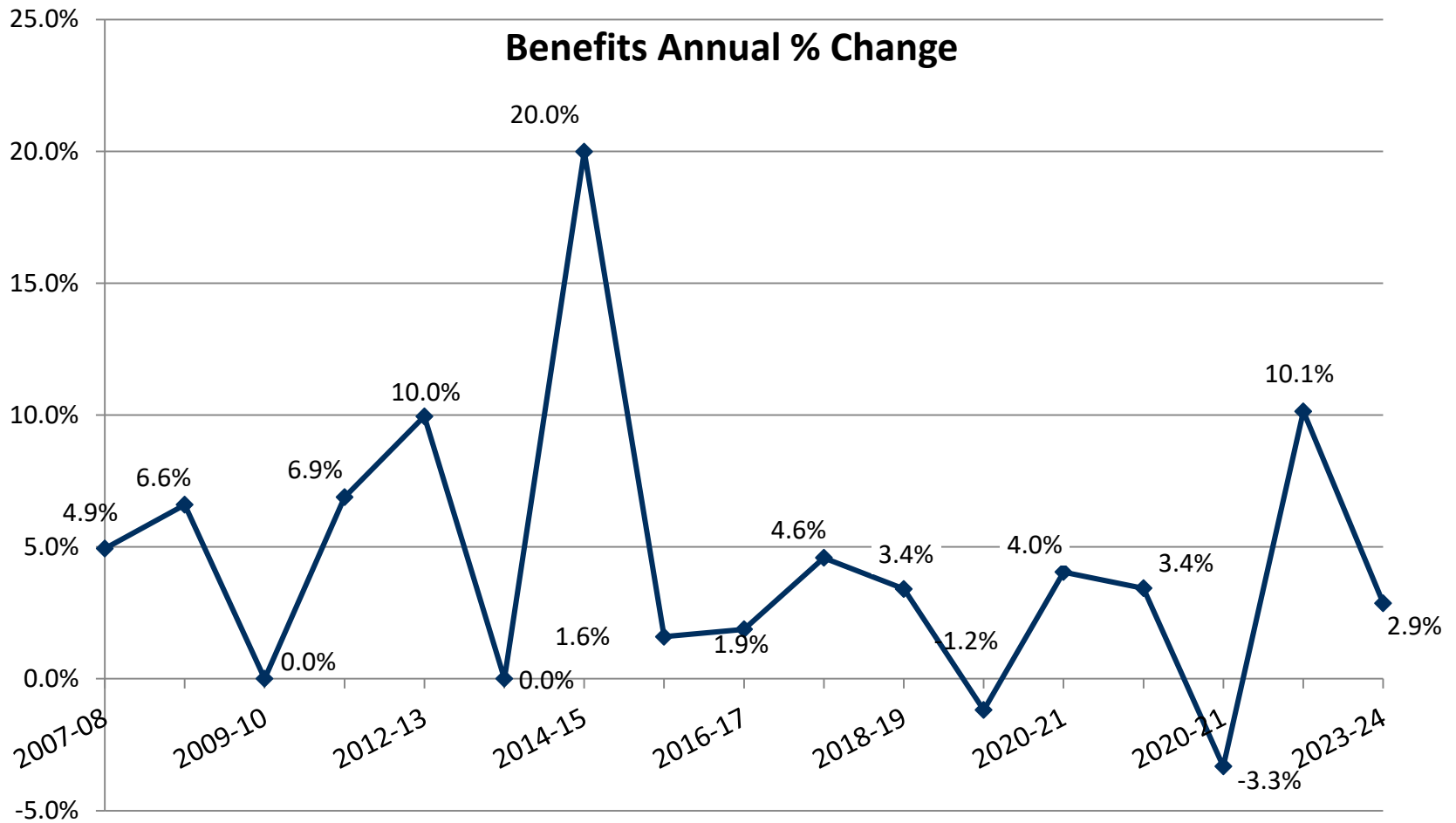
3. Employee Benefits

- Benefits typically drive annual budget growth
- In ten years, benefits have increase from 24% of the total General Fund Budget to 30%
- Historically, the retirement systems have had the most volatile changes, from 0.43% to as much as 22% of employee pay
- Health Insurance general increase has ranged from 1% to 13% with an average of 6% - 8%
 - Less than the community rated plans

Proposed 2023-2024 Budget Increase
\$1,289,627 +2.87%



3. Employee Benefits

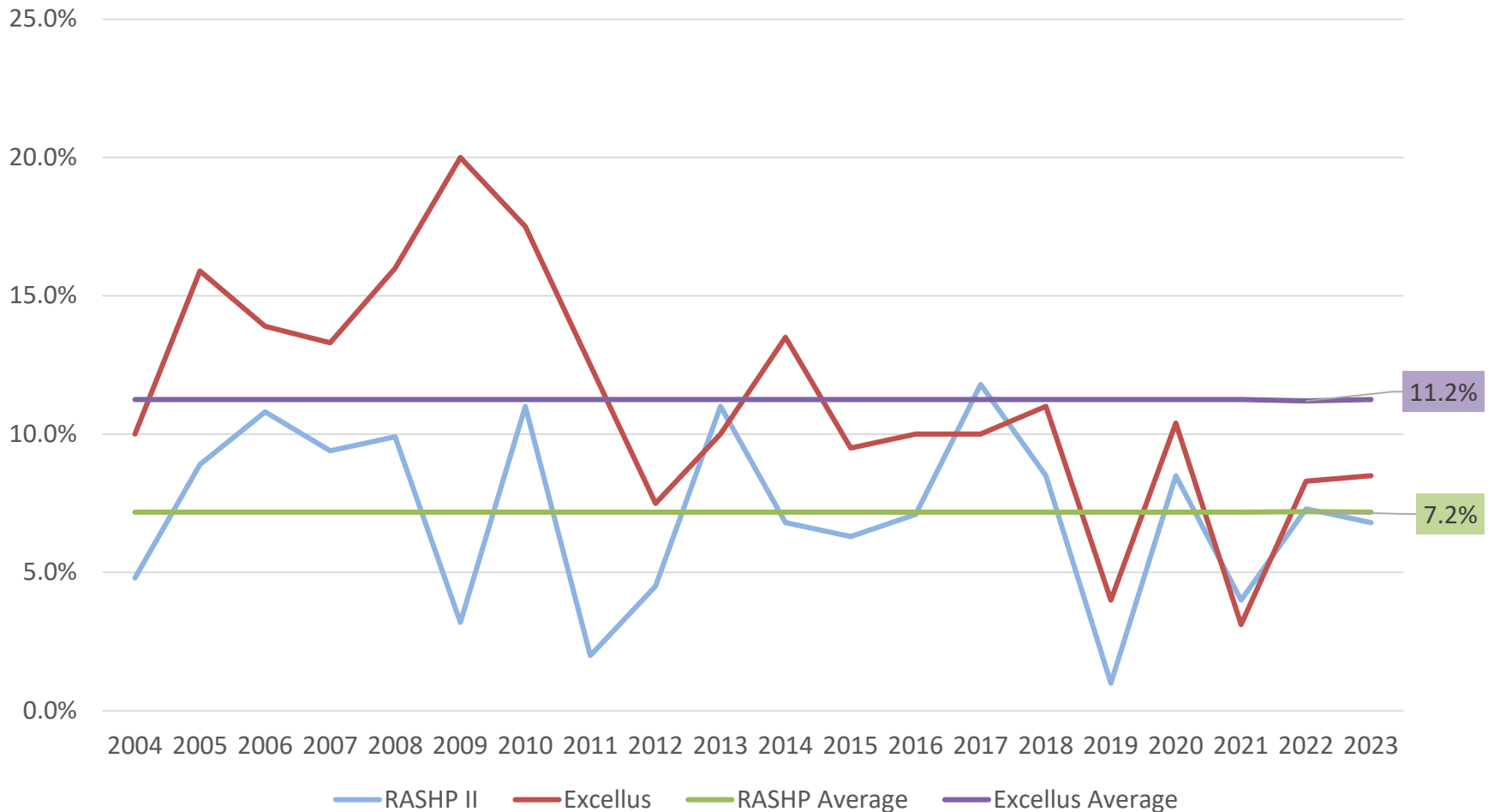


The Rochester Area Schools Health Plan (RASHP)

- Implemented January 1, 2004
- Membership
 - Seventeen Monroe County schools & two BOCES
 - 15,000 contracts and 40,000 lives covered by the plans
- Board of Directors
 - One representative from each District
 - Five union seats
- Provides coverage to school employees at lower cost than similar “Community Rated Plans”
- RASHP was a Minimum Premium Experience Rated Plan
- January 2018 received NYS Dept. of Finance approval to be Self-Funded
 - Assured adequate reserves and stop-loss insurance to minimize risk of high-cost claims

PLAN OVERVIEW

RASHP II v. Excellus Rate Change



Undistributed Budgets - Conclusion

Accomplishments

- The health and worker's compensation consortiums are operating effectively and provide cost relief
- Improved market has lowered retirement system rates, however lower stock performance will drive future rates
- The capital project vote was timed with the retirement of debt reducing the impact on the local share for taxation

Challenges

- Employee benefits constitute a large portion of the budget that impact future planning for budget growth
- The overall benefits growth can potentially exceed the NYS imposed Property Tax Cap
- Labor concessions can reduce the base cost, but are still subject to annual incremental increase in insurance
- Balancing pressures for lower premium with long-term sustainability of the plan

Factors Bearing on the Budget

- Expiring Federal COVID funds
- Electric utilities increasing significantly
- Bus driver salaries and contract transportation
- Electric Vehicles and Buses
- Employee Benefit increases
- General salary increases with wage inflation and minimum wage compression impacting hourly workers
- BOCES Career and Technical Education increased participation
- Increase in security staffing, technology staffing and special education staffing
- Contractual increases in referees and contract transportation for Athletics

Prepare Final Proposed Budget

- Obtain BOCES updated Unit Costs and review, verify and amend PCSD Service Requests — *Business Office & Districtwide*
- Department administrators update the program services narratives and review their respective projected budgets — *Districtwide and Business Office*
- Teacher and Paraprofessional Sectioning and Staffing based on current and 2023-24 Projected Enrollment — *Human Resources/Buildings*
- Referendum Results impact Tax Cap and Total Budget — *Business Office*
- Receive, evaluate and implement an Enacted NYS Budget — *Business Office and others as needed*
- Amend the Proposed Budget for all of the above and present to the Board of Education for Adoption — *Superintendent*

Upcoming Meetings

March 23 – District Planning Team (DPT)

April 18 – Board Adopts Superintendent’s Proposed Budget

April 27 – District Planning Team (DPT)

May 9 – Public Hearing for Budget

May 16 – Budget Vote and Board Election

End of Presentation

