

Voorheesville Central School District

Budget 2010-2011

Maintaining Education Program
During Major Revenue Cuts



February 8, 2010

Basic Budget Framework

Budget = Revenues + Appr. Fund Balance

OR

Budget = (Tax levy + State Aid + Other Revenues) + Appr.
Fund Balance

OR

Tax Levy = Budget – (State Aid + Other Revenues + Appr.
Fund Balance)

The tax levy is dependent on all of these elements

Budget Profile 09-10

What is in the other 8% in 2009-10

- Occ. Ed./Alt. Ed. tuition 1.0%
- Supplies 1.0%
- Textbooks .5%
- BOCES computer 1.0%
- Other BOCES Services 1.7%
- All Other 2.8%

All Other = Special programs, fees, printing, advertising, prof. services, conferences & Mileage, testing, tutoring, speakers, auditor, attorney, interfund tsf., insurance, etc.

2010-2011: Major losses in Revenue

- State General Aid Decrease – Governor's Budget: -\$681,416 est.
 - GAP elimination adjustment of \$563,500
 - Transportation Aid ratio decreased – decrease due to drop in expenses + drop in enrollment
 - BOCES Aid ratio decrease – based on wealth factor
- Interest Earning decrease – lower rates available
- Loss of SCCC tuition revenue

The District must deal with declining revenue AND increasing costs.

Revenue decline for State Aid: \$681,416

Revenue decline for all other sources of revenue: \$56,750

Major cost increases

- Negotiated Salaries (with no staff reductions) - \$276,000+
- TRS and ERS rates - \$254,600+
 - TRS rate increase from 6.19% to 8.62%
 - ERS rate increase from 8.1% to 11.4% Tier III and Tier IV

Just these two items = \$530,600

The total revenue loss plus increased costs
without any adjustments equals:

\$1,360,288!!!

Consideration in developing the budget

- Looked at how the District delivers services Academic Intervention Services (AIS)
- Matched enrollment to staffing
- Took advantage of savings on debt
- Used more reserves

Staffing changes – savings of -\$329,638

- Elementary School
 - Grade 2 to four sections (avg. 21 per class) – not replacing a retiring teacher
 - Reassigning ½ day ES Technology Support
- Middle School/High School
 - Reduce .6 AIS Math
 - Reduce .4 AIS English
 - Reduce .6 AIS Social Studies

Staffing changes – con't

- Middle School/High School con't
 - + Add 20 slots of 45 minute tutorials/wk for AIS
 - + Add French A at High School
 - Adjust for retiring staff
- Special Education
 - Reduce .5 Spec. Ed. Teacher – Middle School
 - Reduce .4 Special Ed. OT
 - Adjust for retiring staff

Does staffing changes negatively impact program?

There is no program being delivered in 2009-10 that will not be delivered in 2010-11

- AIS change offers more opportunity for students to receive help
- Addition of French A offers program parity
- Special Education changes are a product of enrollment

Other major decreases

- Refinanced debt service + declining debt schedules = $-\$172,333$
- Special Education Tuition = $-\$168,475$
 - Graduation of students
 - Students moved from District
- Transfer to School Lunch Program =
- $\$30,000$

Total major decreases: $\$700,408$

Other Major Budget items

- Energy use – savings for the District
- Health Insurance Costs (may see more savings here but right now an added cost of \$47,900)
- Increase cost for Alternative Ed., VoTec tuition: +\$23,588
- Requirement for mandated Building Condition Survey: +\$26,000

Proposed Budget 2010-11

- Budget for 2009-10 = \$21,662,438
- Add major increases
 - Contracted salaries +\$276,414
 - Health Insurance +47,900
 - TRS & ERS +254,660
 - Occ. Ed/Alt. Ed. +23,588
 - Building Condition survey +26,000
 - Subtotal +\$628,562

Proposed Budget con't

- **Subtract major savings**

– Staffing changes	-\$329,638
– Debt Service	-172,333
– Transfer to Lunch program	-30,000
– Special Ed. tuitions	-168,475
– All Other budget changes	<u>-6,440</u>
Subtotal	-\$706,886

Proposed Budget con't

Proposed budget 2010-11	\$21,584,114
Decrease of	(\$78,324)
Percentage change	(.362%)

Impact on Tax Levy

- The District is looking at a revenue decrease of \$738,166
- Budget decrease is -\$78,324
- Tax Levy would still increase: \$659,842

How can the levy be further decreased???

Use of Reserves

• Increase transfer for debt	\$90,000
(this money will be gone in 2012-13)	
• Increase Appropriated Fund	
Balance	<u>\$150,000</u>
Added Revenue	\$240,000

This further decreases the tax levy

Impact on tax levy with Reserves

• The District is looking at a revenue decrease of	\$738,166
• Budget decrease is	-\$78,324
• Increase transfer for debt	- 90,000
• Increase Appr. Fund. Bal.	<u>- 150,000</u>
Levy would increase:	\$419,842

This is a levy increase of 2.87%

A future look at State Aid

- New York not in good fiscal shape
- State Aid for 2010-2011
 - Still includes \$289,682 of ARRA money which will not be available in 2011-12
 - District will receive approx. \$185,000 in 611 and 619 money which will not be available in 2011-12 (for Special Ed only)
- Big question: any help from Fed. Gov't after 2010-11?

Bus Proposition

- Buses are paid for by 5-year installment purchase debt
- Aid on buses received over same 5 years
- In 2010-11 \$45,000 of debt payment is retired
 - In 2011-12 propose replacing this cost with cost of installment purchase for new buses
- In 2009-2010 only purchased 1 bus

Bus Proposition con't

- For 2010-11 want to purchase
 - 2 60-passenger buses (for #88 & #89)
 - Bus #88 (60-passenger purchased in 1998) is in need of major body repair or it will not pass inspection in July
 - Bus #89 (60-passenger purchased in 1999)
 - 1 20 or 28 passenger bus (for #92)
 - Bus #92 (20-passenger) has 145,800+ miles, the highest in the fleet

Added cost for bus purchase

- Estimated gross cost of buses: \$249,000
- Replacing installment purchase of \$213,474
- Gross difference about \$7200 per year
- After aid, difference of about \$3600 per year.

Bus Prop. must be adopted by March 22nd.

Contingency Budget

- Contingent budget cap: \$21,477,105
- Would need to reduce the budget another \$91,000
- Eliminate equipment except for health and safety: \$85,000
- All other areas: Reduce by \$6,000

Future meetings

- March 8 – Regular Board meeting
- March 22 – Special Budget meeting
- April 12 – Adopt Budget at regular Board meeting

QUESTIONS?