

*CHENANGO VALLEY
CENTRAL SCHOOL DISTRICT*

INITIAL DRAFT

*STATE AID & BUDGET
OVERVIEW*

2014-2015 DRAFT BUDGET

February 24, 2014

Budget Workshop #1



STATE AID OVERVIEW

Kathy Blackman – CBO Controller

Chenango Valley State Aid

- What are the primary factors that generate State Aid?

Breakdown of State Aid

	2014-15	2013-14
Foundation Aid	\$ 9,618,780	\$ 9,618,780
UPK	\$ 245,882	\$ 245,882
BOCES	\$ 1,515,069	\$ 1,527,432
Excess Cost Aids (Spec Ed)	\$ 260,844	\$ 264,442
Categorical Aids	\$ 167,819	\$ 167,279
Transportation	\$ 955,967	\$ 866,236
Building	\$ 2,147,628	\$ 2,062,576
GEA	\$ (1,228,501)	\$ (1,452,368)
	\$ 13,683,488	\$ 13,300,259

Largest = Foundation Aid

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Other State Aid

UPK

- Grant based on students in Pre-K, no additional amount in this run

Expense Driven

- BOCES
- Transportation
- Categorical Aids

Building

- Based on debt service payments

Excess Cost Aids

- Based on certain Special Education pupil costs

Foundation Aid Formula

Formula Foundation Aid per Pupil =

$$\frac{(\text{Adjusted Foundation} - \text{Expected Local Contribution})}{\text{Pupil Count}}$$

Definition of Terms

- Adjusted Foundation = Cost of Education

(Average Cost of Successful Schools)

X

Regional Cost Index

X

Pupil Need Index

Definition of Terms

- Pupil Need Index

(Extraordinary Needs Count/Base Year Enrollment)

Extraordinary Needs Count Factors

- Free & Reduced Students/Price Lunch Count (FRPL)
- Limited English Proficiency Count
- 2000 Census Poverty of population Children age
- Sparsity Count

Expected Local Contribution (ELC)

- The Foundation Formula presumes each district will pay a portion of the local cost of education. This is called the Expected Local Contribution. Several wealth factors drive the calculation of ELC including the Foundation Aid Sharing Ratio.

Expected Local Contribution (ELC)

- District's Property Wealth as compared to the State
Average per pupil
- District's Income Wealth as compared to the State
Average per pupil

Factors Specific to CV

- **Extraordinary Needs Percentage = .274**
 - FRLP, LEP, Census & Sparsity (Pupil Counts)
- **Foundation Aid Sharing Ratio = .582**
 - Based on Income wealth and Property wealth per pupil

Across the Region

- Chenango Valley is in **RED**, the average for the region is in **BLUE**
- CV is lower than the average
Extraordinary Needs % and a lower
Foundation Share Ratio

Extraordinary Needs %	Foundation Share Ratio
0.295	0.699
0.676	0.806
0.819	0.840
0.322	0.624
0.274	0.582
0.244	0.673
0.957	0.490
0.730	0.864
0.406	0.624
0.560	0.711
0.191	0.444
0.548	0.738
0.669	0.776
0.425	0.661
0.742	0.850
0.524	0.692

Chenango Valley State Aid

- What are the primary factors that generate State Aid?
- Why is CV not generating more State Aid?

Chenango Valley State Aid

- The factors that go into the Foundation Aid formula that impact aid:
 - Extraordinary Needs Ratio is low: 27.4%
 - The Wealth Ratios for Income and Property are higher than the average in the region, thereby the foundation share ratio is lower than the average: 58.2%
 - Pupil Counts

Gap Elimination Adjustment (GEA)

- Since the 2009-10 school year, the state has deducted from each school district's state aid allocation an amount now known as the Gap Elimination Adjustment (GEA) to help the state fill its revenue shortfall.
- Continued state aid loss due to GEA reductions will continue to erode the quality of education school districts can provide.

Gap Elimination Adjustment (GEA)

School Year	Chenango Valley GEA
2009-10	\$ 863,740
2010-11	\$ 2,164,209
2011-12	\$ 2,482,603
2012-13	\$ 2,170,180
2013-14	<u>\$ 1,452,368</u>
Total	\$ 9,133,100

Gap Elimination Adjustment (GEA)

- Restoration is based on an equally complex formula using the same criteria as in the Foundation Aid Formula:
 - Extraordinary Needs %
 - Foundation Share Ratio
 - Pupil Counts

DRAFT BUDGET OVERVIEW

David Gill – Superintendent of Schools

Beth Donahue – School Business Executive

Mission Statement

- The mission of the Chenango Valley School community is to provide educational opportunities to promote maximum learning potential for personal growth and social responsibility.

District Goals

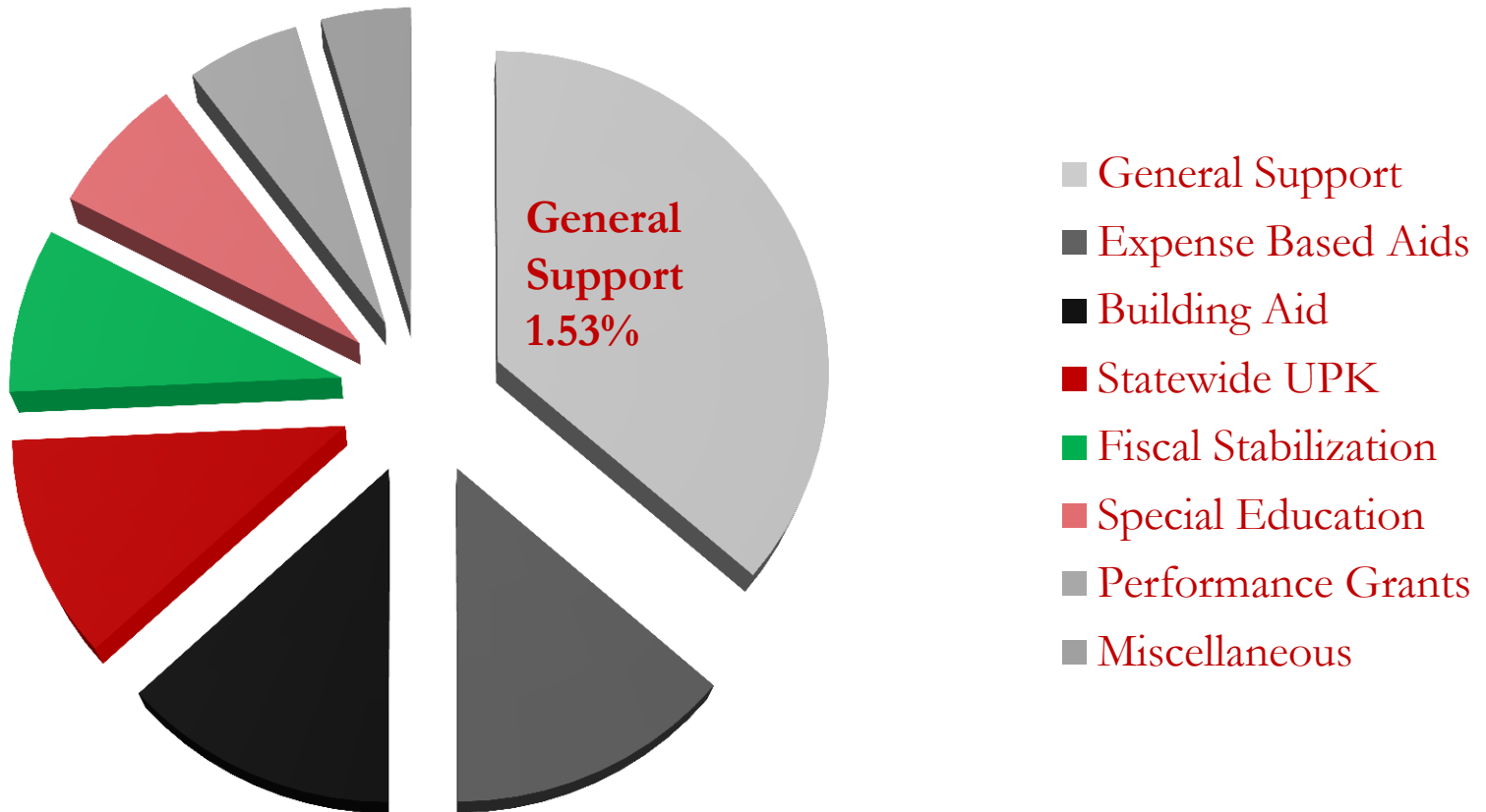
5 Year Goals:

- #1 – Top 5 in Region on all NYS Testing
- #2 – Increase Graduation rate by 5% to be top 3 in Region
- #3 – Increase Proficiency for ELA and Math assessments by 10%
- #4 – Increase Mastery for ELA and Math assessments by 10%
- #5 – Improve internal and external communication

BUDGET STRUGGLES

- **Revenue**
 - State Aid **G**ap **E**limination **A**djustment (GEA) since 09-10
 - Tax levy threshold limitations (3rd year)
- **Expenses**
 - Escalating costs (i.e. TRS, ERS, Health Insurance)
 - Unfunded and partially funded mandates
- **Use of reserves and fund balance to address the structural deficit**

3.8% STATE AID PROPOSAL



PROPERTY TAX LEVY LIMIT

2% \neq 2%

PROPERTY TAX LEVY CALCULATION

1. **Tax levy** (current school year)
2. Multiply by **tax base** growth factor
3. Add current year **PILOTS**
4. Subtract taxes levied for current year **exemptions**
5. Multiply by the inflation factor (lesser of 2% or CPI)
6. Subtract next year **PILOTS**
7. Add available carryover (if any)
8. Add next year **exemptions**
9. **Equals next year property tax levy limit**

PROPERTY TAX LEVY LIMIT

- Estimate – subject to change
- Projected maximum allowable tax levy*
 - \$18,492,560
 - 0.44% DECREASE from 2013-14

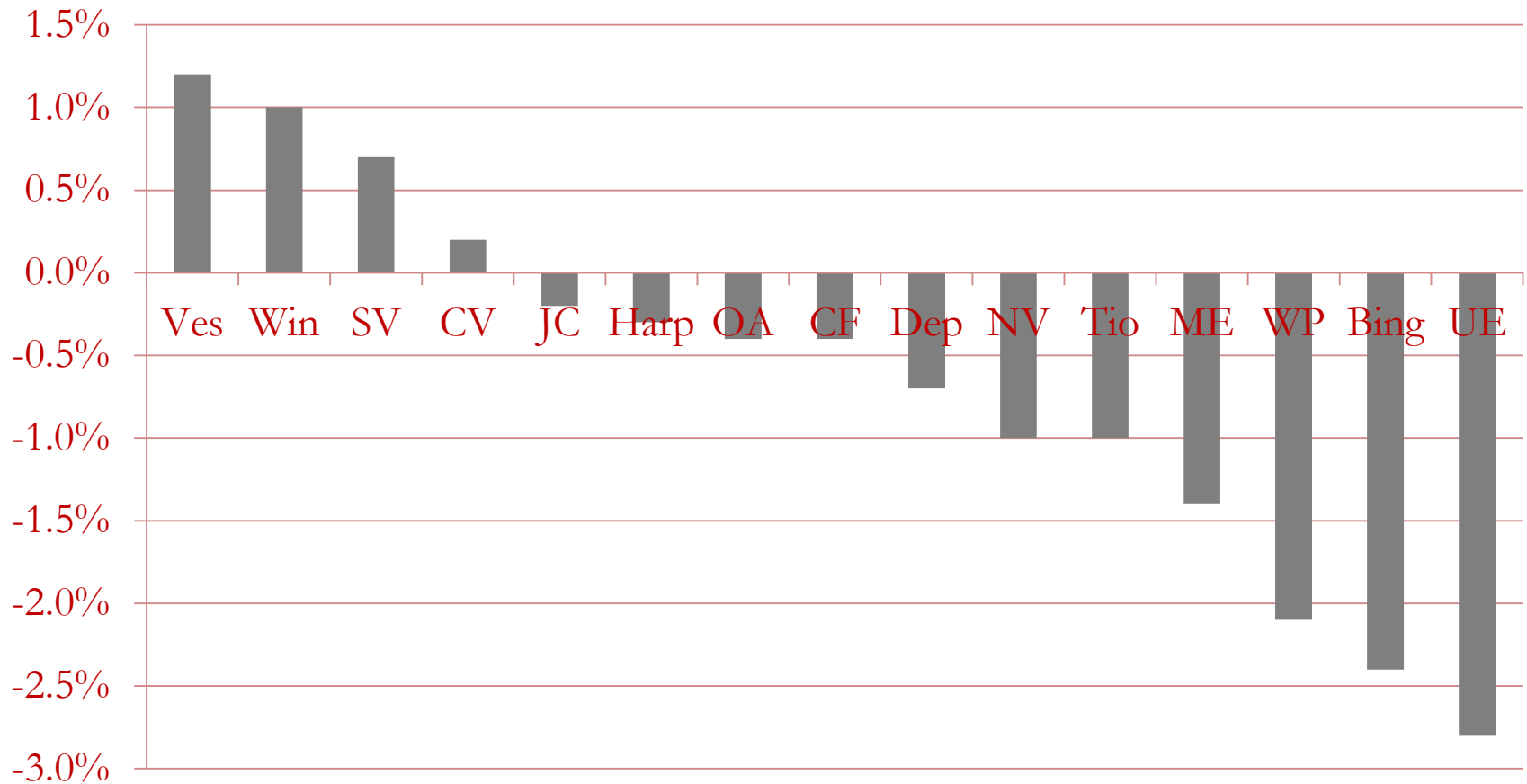
*Requiring simple majority vote

PEER COMPARISONS

How does Chenango Valley compare
to other districts?

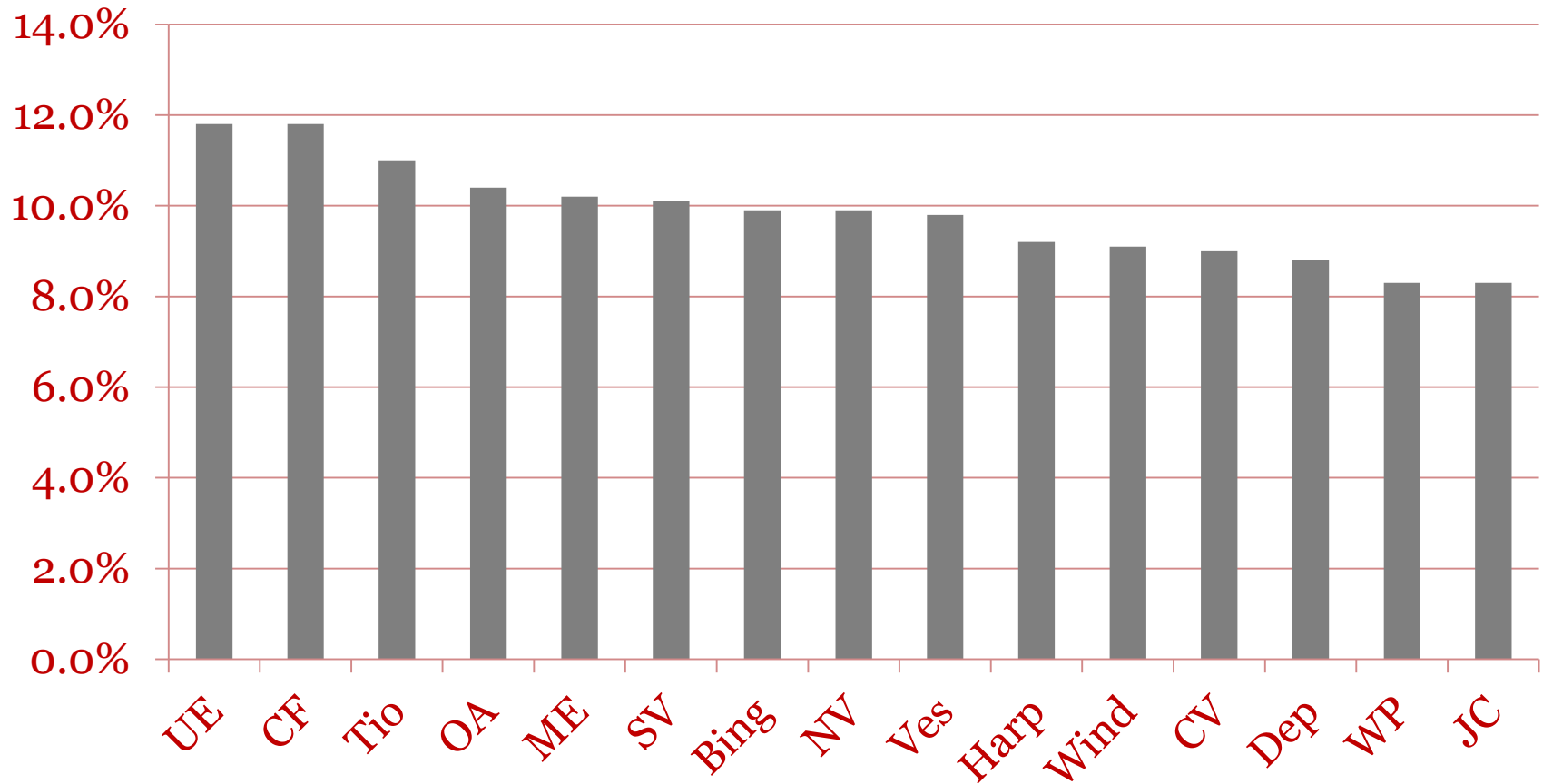
BT BOCES COMPONENTS

Enrollment Change from 2012-13



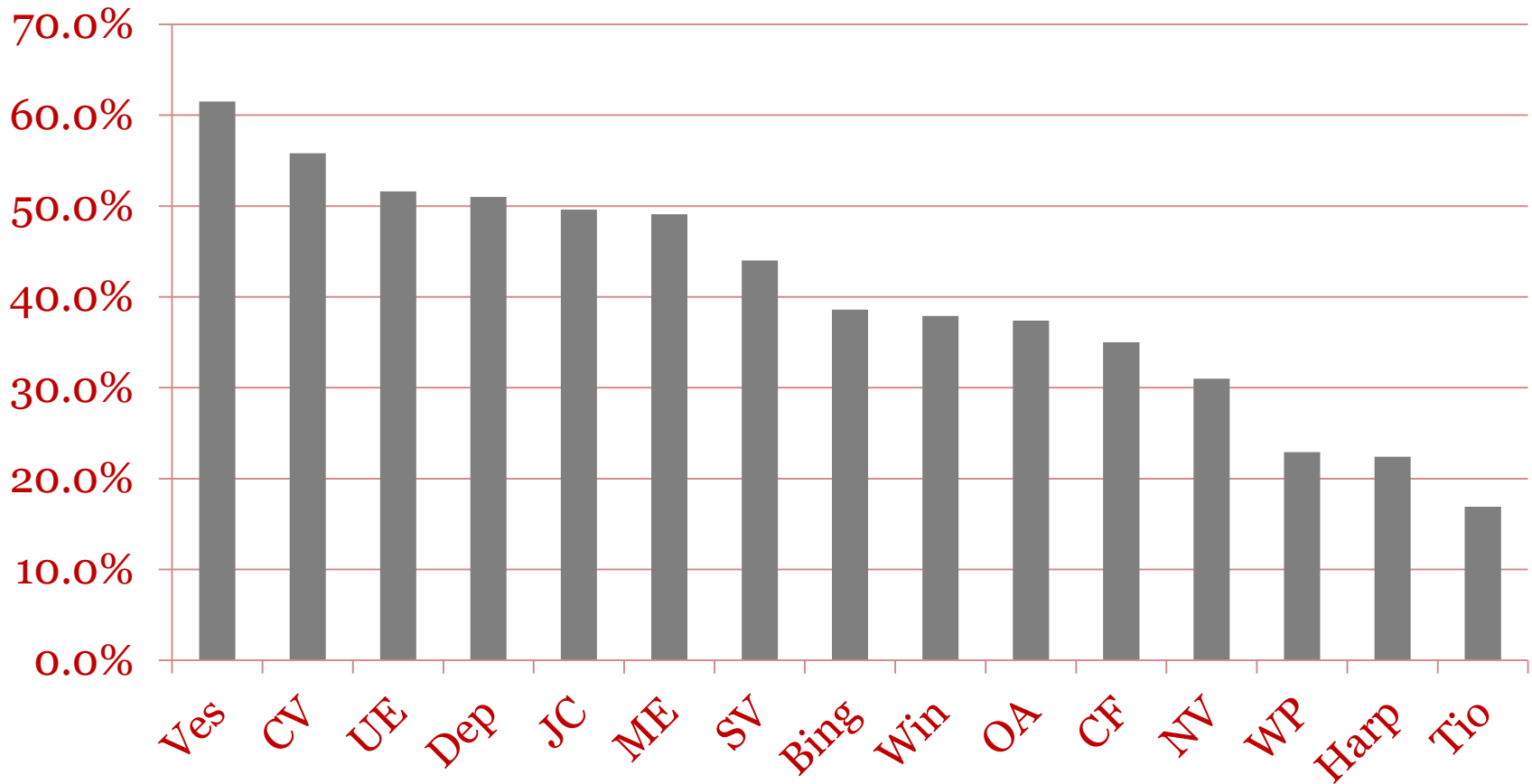
BT BOCES COMPONENTS

Administrative %



BT BOCES COMPONENTS

Tax Levy % of Total Budget



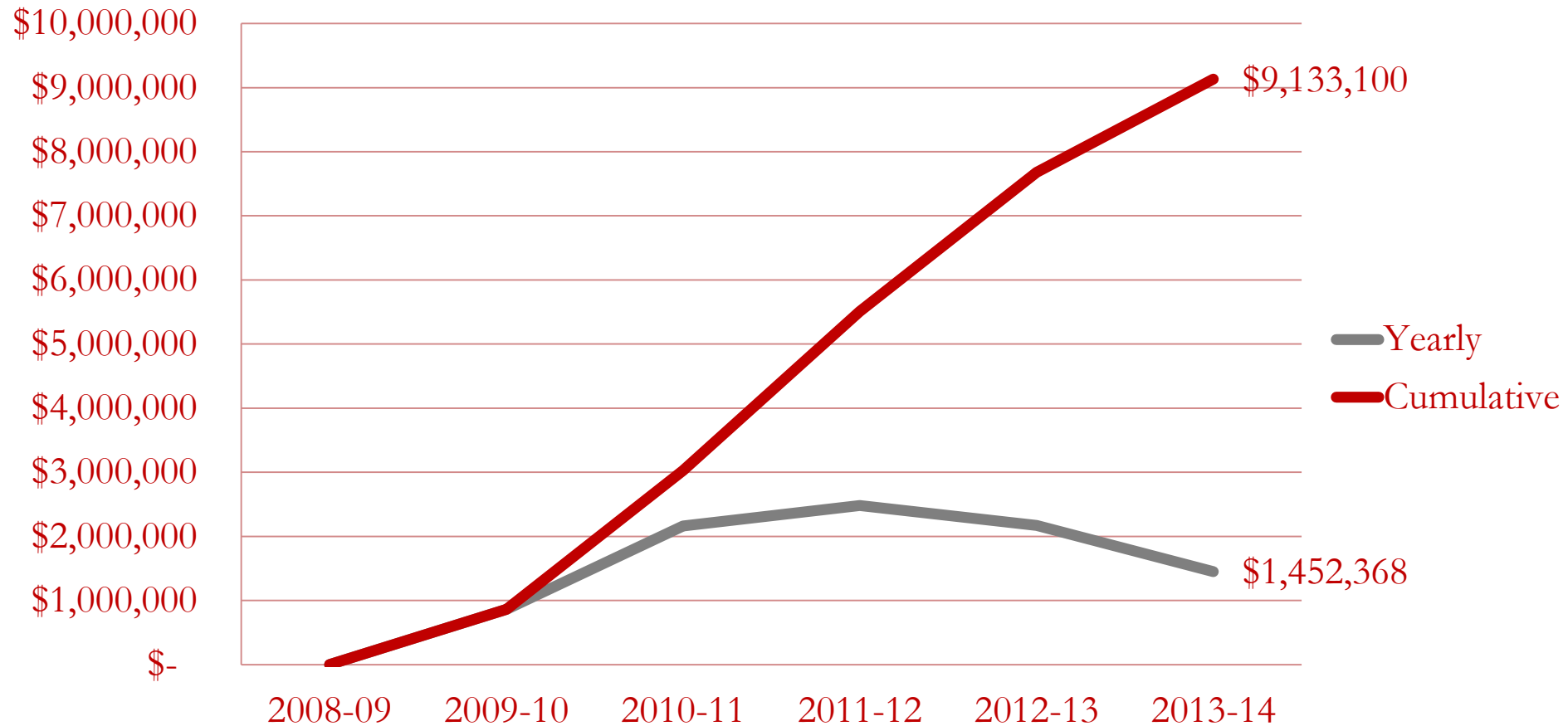
HISTORICAL

5 Years of Historical Analysis for
Chenango Valley

CHANGES SINCE 2008-09

- Overall reduction in staff of 15 employees
- Enrollment has declined from 1827 to 1787
- **State aid has been reduced from \$14,637,335 to \$12,879,660**

GEA IMPACT



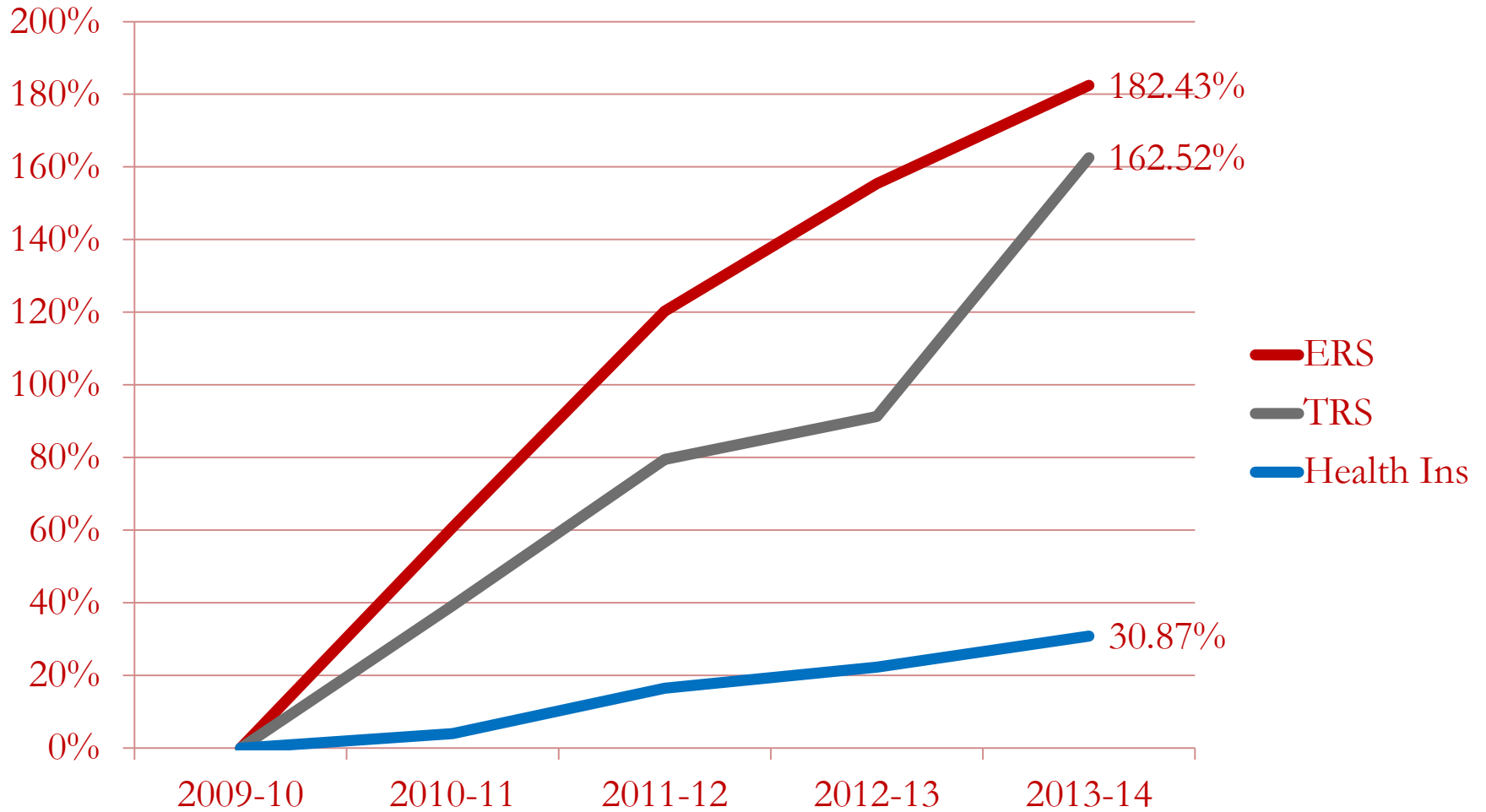
STATE AID HISTORY



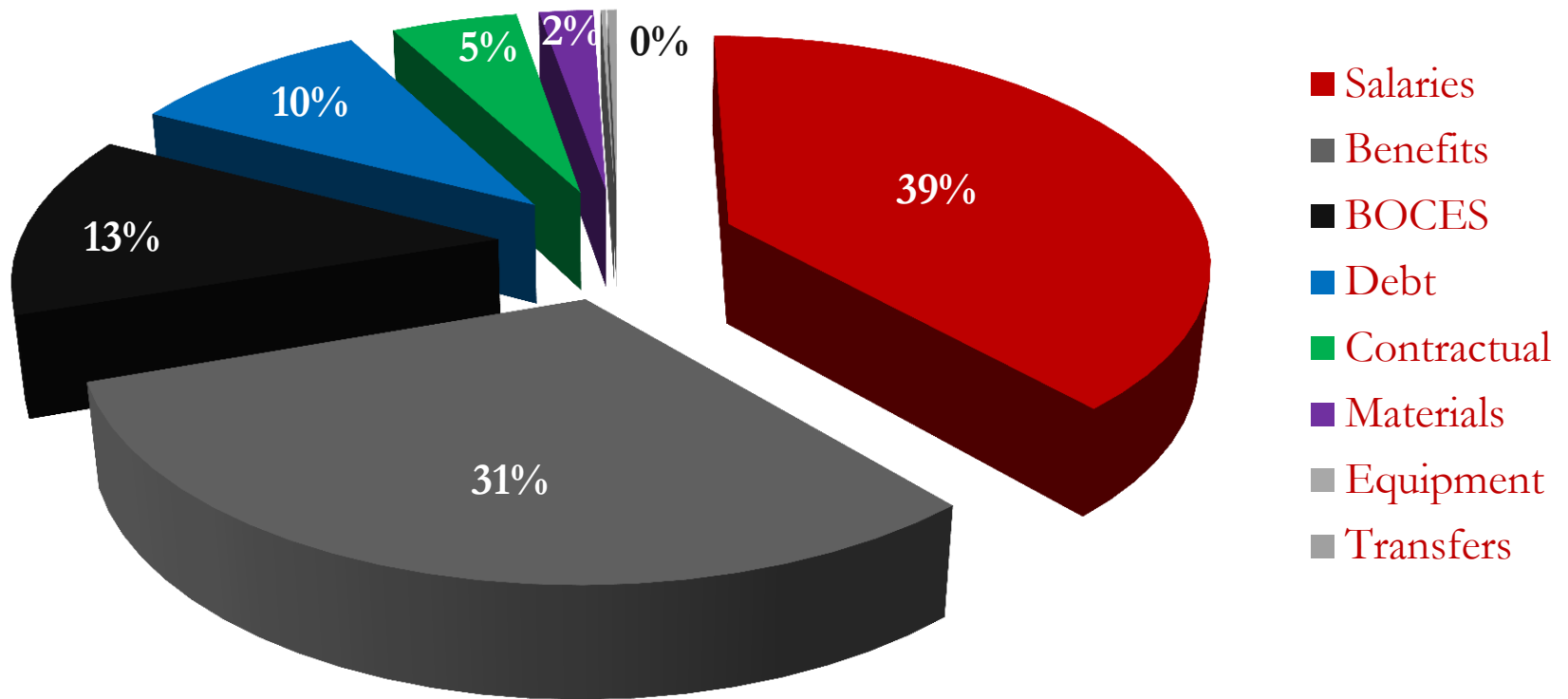
CHANGES SINCE 2008-09

- Overall reduction in staff of 15 employees
- Enrollment has declined from 1827 to 1787
- State aid has been reduced from \$14,637,335 to \$12,879,660
- **Certain fixed costs have increased substantially**

FIXED COST INCREASES



EXPENSE BREAKDOWN

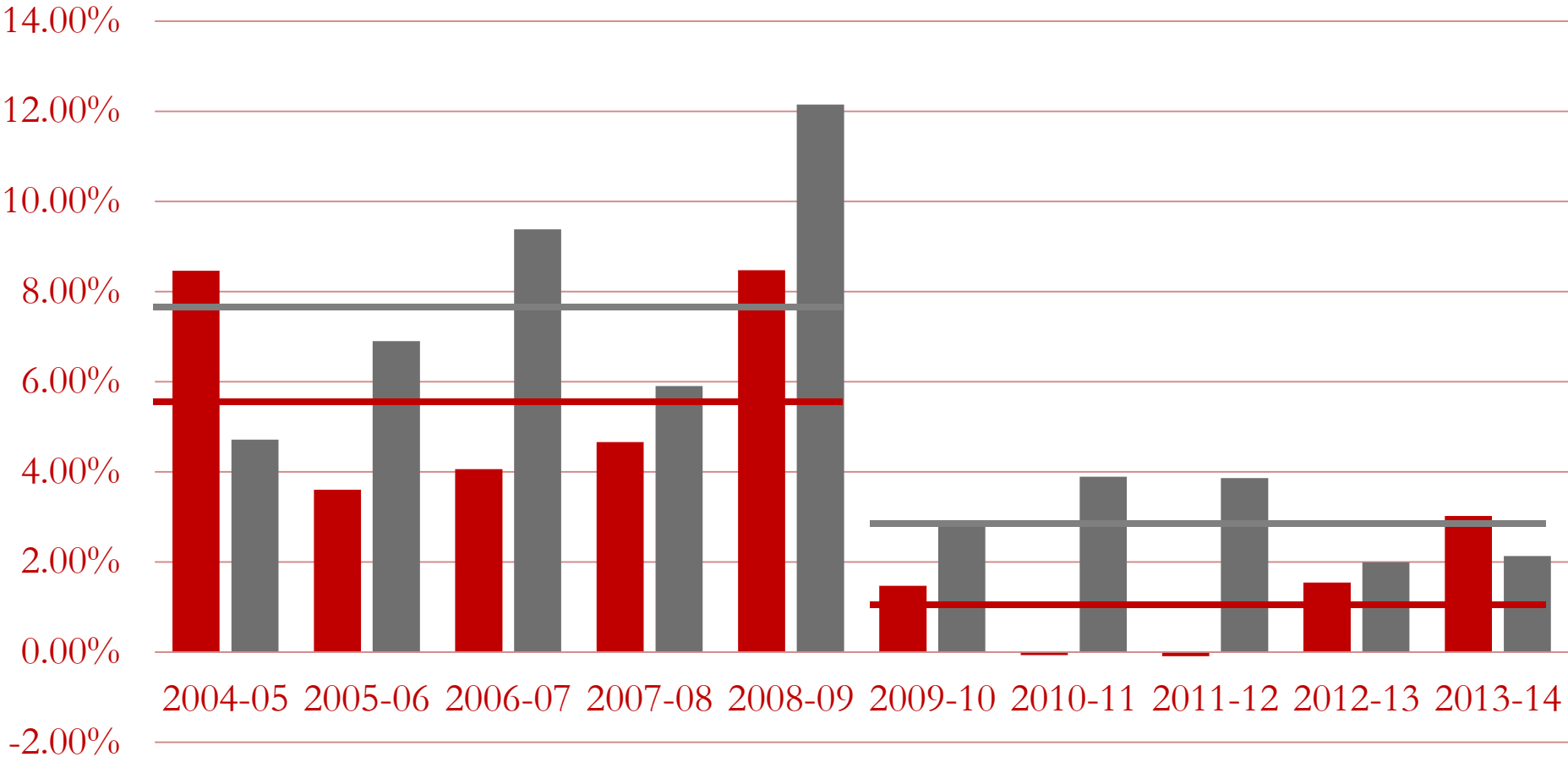


The district has the most control over less than 3% of the total budget

BUDGET COMPARISON

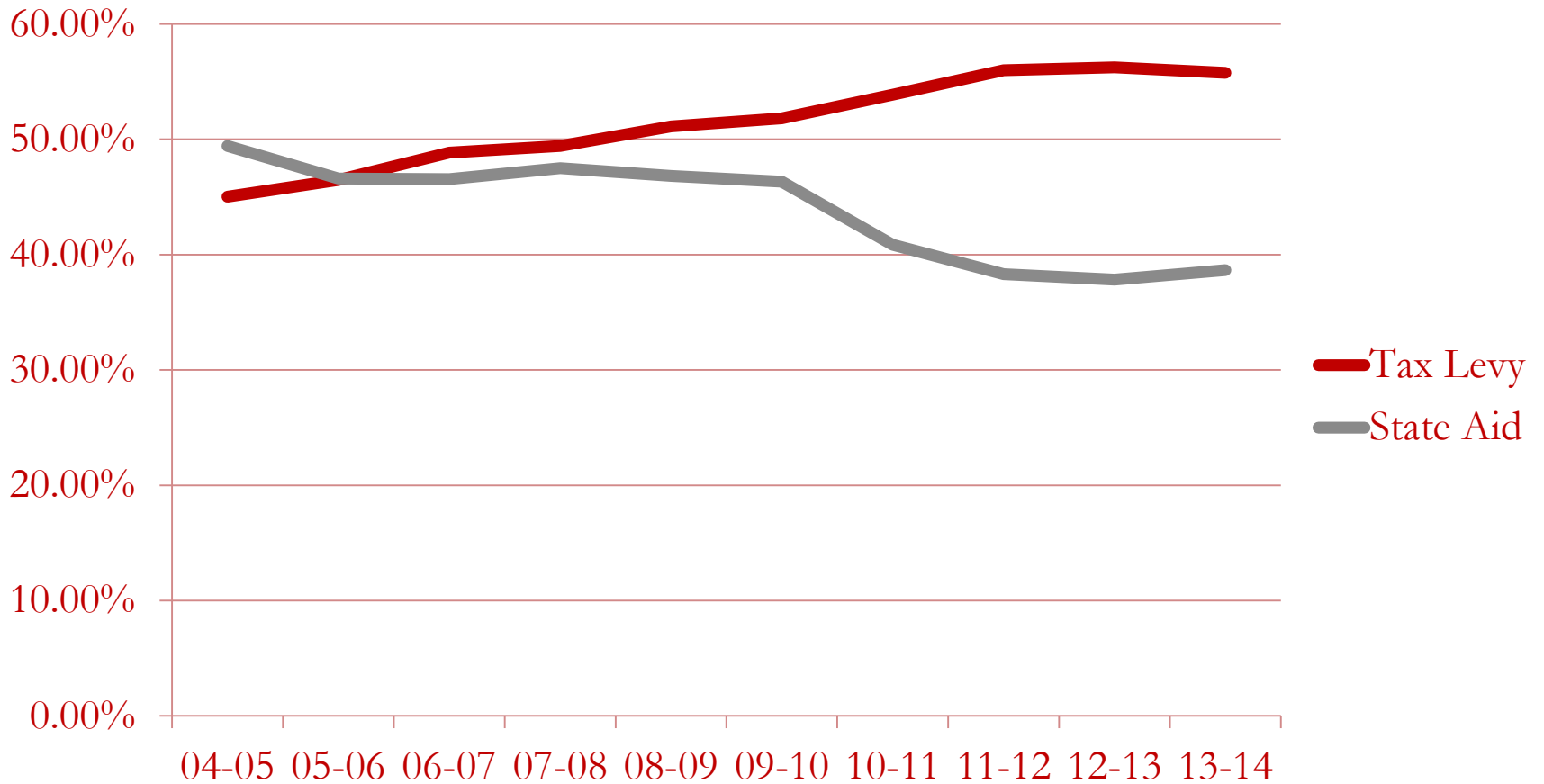
	2009-2010 BUDGET	2013-2014 BUDGET	\$ CHANGE	% CHANGE
Instructional Salaries	9,871,044	9,757,751	(113,293)	-1.15%
Non-Instructional Salaries	2,774,488	3,104,868	330,380	11.91%
Equipment	153,535	64,775	(88,760)	-57.81%
Contractual Expenses	2,369,977	1,676,614	(693,363)	-29.26%
Materials & Supplies	886,760	719,942	(166,818)	-18.81%
BOCES	3,764,713	4,304,736	540,023	14.34%
Debt Service	3,724,585	3,204,809	(519,776)	-13.96%
Benefits	8,295,491	10,354,659	2,059,168	24.82%
Interfund Transfer	52,500	120,500	68,000	129.52%
TOTALS	31,893,093	33,308,654	1,415,561	4.44%

BUDGET & LEVY CHANGES

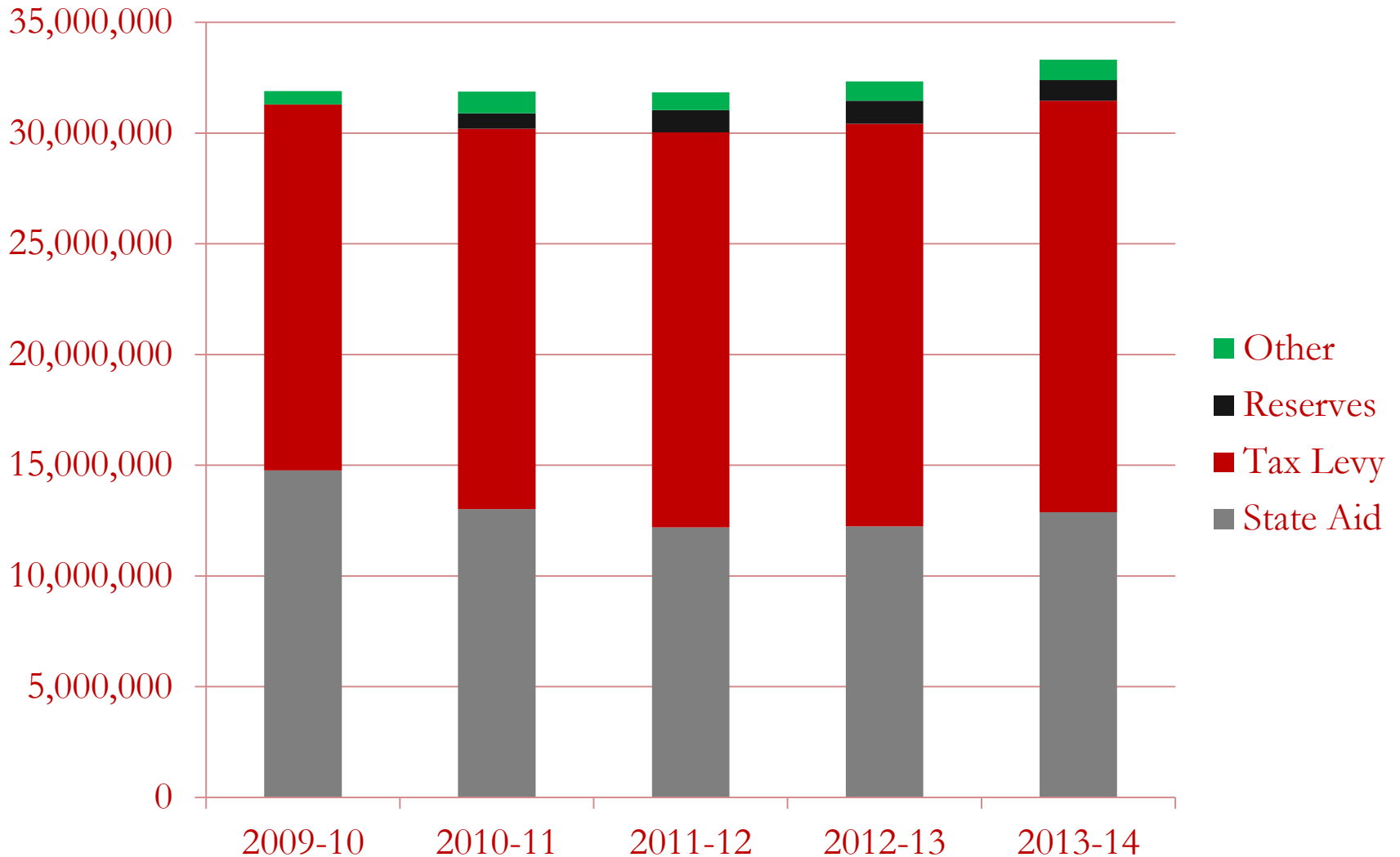


■ Budget Increase ■ Tax Levy Increase

STATE AID VS LEVY



HISTORICAL REVENUE MIX



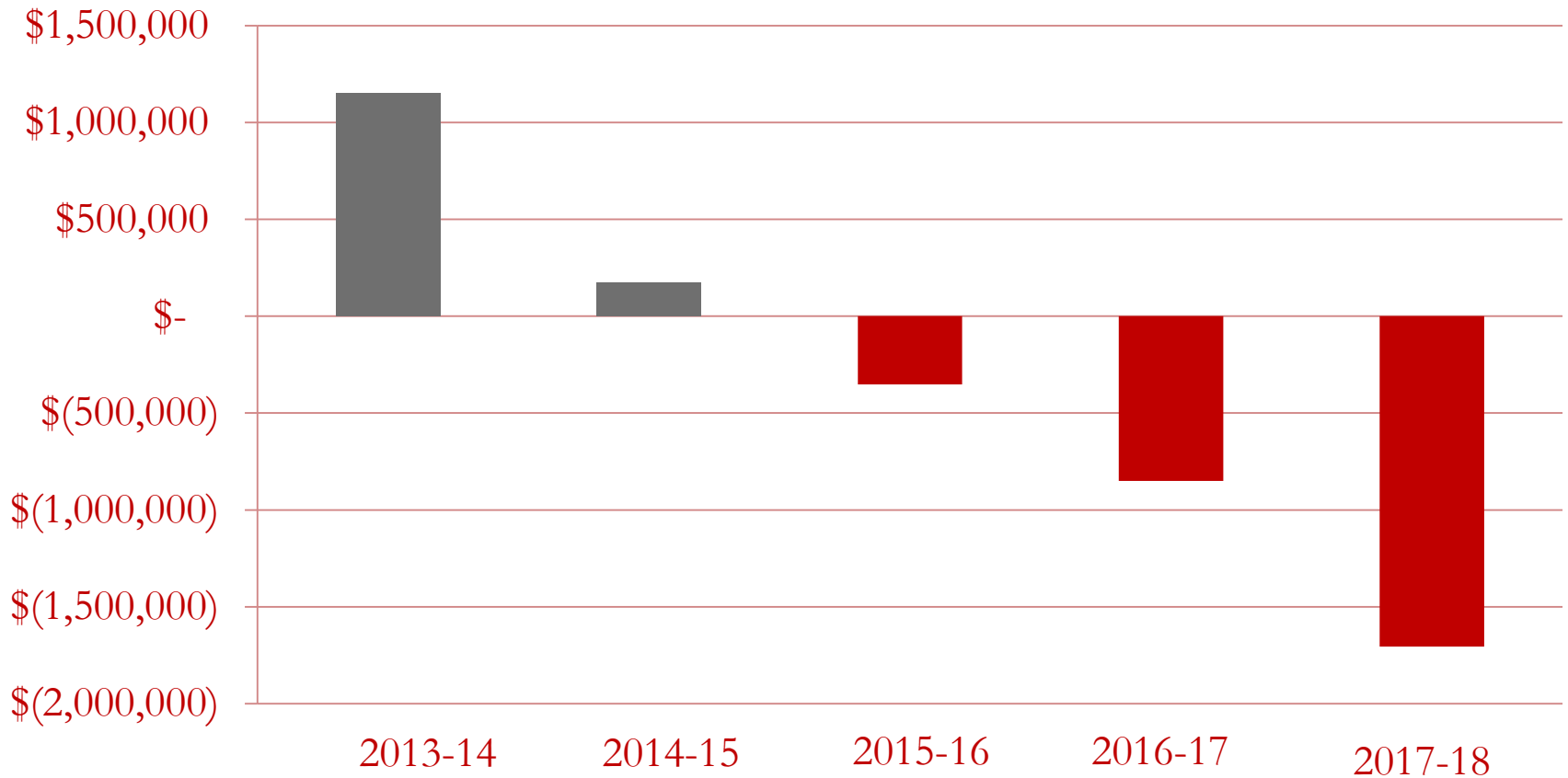
PROJECTIONS

ASSUMPTIONS

- **Tax levy**
 - Calculated levy limit for 2014-15, 2% increase in the outer years
- **State Aid**
 - Using current Executive proposal and 1.5% increase in the outer years
- **Salary/Benefits**
 - Staff remains at next year's budgeted level
 - Salary increases as per contract, health insurance and ERS/TRS contributions projected at the current level
- **Other Expenses**
 - Projected increases in BOCES, fuel & utilities, etc

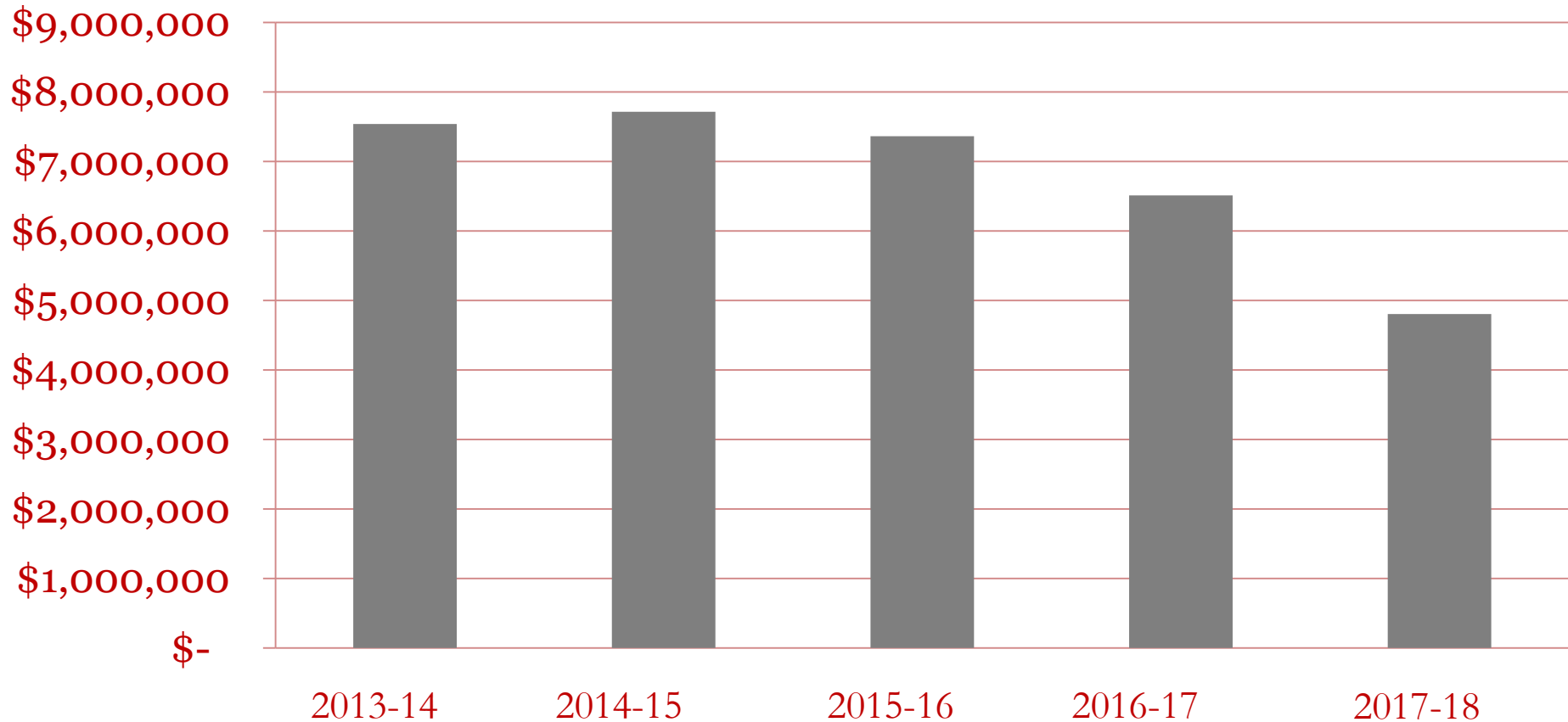
LONG TERM PROJECTIONS

Operating Surplus/Deficit



LONG TERM PROJECTIONS

Cash Balance as of 6/30 (General Fund & Reserves)



2014-2015 1ST DRAFT BUDGET

2014-2015 1ST DRAFT BUDGET

	2013-2014 BUDGET	2014-2015 BUDGET	\$ CHANGE	% CHANGE
Instructional Salaries	9,757,751	10,193,876	436,125	4.47%
Non-Instructional Salaries	3,104,868	3,015,060	(89,808)	-2.89%
Equipment	64,775	107,875	43,100	66.54%
Contractual Expenses	1,676,614	1,709,514	32,900	1.96%
Materials & Supplies	719,942	709,009	(10,934)	-1.52%
BOCES	4,304,736	4,649,973	345,237	8.02%
Debt Service	3,204,809	2,937,038	(267,771)	-8.36%
Benefits	10,354,659	10,598,470	243,811	2.35%
Interfund Transfer	120,500	120,500	0	0.00%
TOTALS	33,308,654	34,041,314	732,660	2.20%

2014-2015 DRAFT REVENUE BUDGET

REVENUE BUDGET	2013-2014 BUDGET	2014-2015 BUDGET	\$ CHANGE	% CHANGE
State Aid	12,879,660	13,500,592	620,932	4.82%
Other	920,957	1,097,907	176,950	19.21%
Appropriated Fund Balance	450,000	250,000	(200,000)	-44.44%
Appropriated Reserves	483,800	434,000	(49,800)	-10.29%
Tax Levy	18,574,237	???	???	???
TOTALS	33,308,654	34,041,314	732,660	2.20%

2014-2015 DRAFT REVENUE BUDGET

REVENUE BUDGET	2013-2014 BUDGET	2014-2015 BUDGET	\$ CHANGE	% CHANGE
State Aid	12,879,660	13,500,592	620,932	4.82%
Other	920,957	1,097,907	176,950	19.21%
Appropriated Fund Balance	450,000	250,000	(200,000)	-44.44%
Appropriated Reserves	483,800	434,000	(49,800)	-10.29%
Tax Levy	18,574,237	18,758,814	184,577	0.99%
TOTALS	33,308,654	34,041,314	732,660	2.20%

OPTIONS TO CONSIDER

- Reconsider the additions to staff
- Reduce/eliminate certain purchases
- Consider programmatic changes
- Utilization of reserves
- Possibility of additional state aid

NEXT STEPS

- Refine 14-15 projections
 - BOCES
 - Insurances
- Identify areas of potential savings
- Monitor legislative budget actions pending final state budget school aid runs

UPCOMING MEETINGS/EVENTS

- March 17th – Budget workshop
- April 7th – Budget workshop
- April 23rd – Budget adoption
- May 12th – Public hearing
- May 20th – Budget vote

QUESTIONS?