

CHENANGO VALLEY CENTRAL SCHOOLS

***BUDGET  
OVERVIEW***

***PRESENTATION***

2011-2012 DRAFT BUDGET

February 16, 2011

Budget Workshop #1



# GENERAL FUND BUDGET BREAKDOWN & ANALYSIS

- Expenses
- Revenues
- Fund Balance



# EXPENSES

- **Three Components**
- **“Functions” of Expenses**
- **“Objects” of Expenses**



# THREE COMPONENTS

- Program - Instructional
- Administrative
- Capital – Operations & Debt Service

# “FUNCTIONS” OF EXPENSES

- Defined by the Office of the State Comptroller (OSC) through the Uniform System of Accounts for School Districts
- Generally describes a particular activity of a school district.
  - 1620 represents Operation of Plant
  - 1320 represents Legal Services

# "OBJECTS" OF EXPENSES

- Also defined by OSC
- Generally describes what money is being budgeted for to fulfill the function
  - 100-199 represents salaries
  - 200-299 represents equipment, hardware, etc.
  - 400-449 represents contractual expenses
  - 450-499 represents materials & supplies



# REVENUE

- Tax Levy
- State Aid
- Other

# TAX LEVY

- **School District sets the overall levy based on budget needs and anticipated revenue amounts**
- **Equalization Rate**
  - Established by NYS Office of Real Property Services (ORPS)
  - Readjusted every August – changes the overall calculations of assessments for all real property in the district
- **STAR deductions**
  - Set by NYS each year
  - Changes in the STAR deduction have significant impact on tax rates



# STATE AID

- Foundation Aid
- BOCES Aid
- Building Aid
- Transportation Aid
- Excess Cost Aid
- Lottery Aid
- Categorical Aid
  - Textbooks
  - Library materials
  - Hardware
  - Software



# OTHER REVENUE SOURCES

- Payment in Lieu of Taxes (PILOT)
- Interest & Penalties
- Tuition
- Rental Fees
- Prior Year Refunds
- Medicare
- Use of Fund Balance

# FUND BALANCE

- **1. Non-Spendable**
  - Consists of assets inherently non-spendable such as prepaid items or inventories.
- **2. Committed**
  - Amounts subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that requires the same level of formal action to remove the constraint. This will most likely NOT be used in NYS – per OSC

# FUND BALANCE

- **3. Restricted**
  - Amounts subject to externally enforceable legal purposes such as most currently existing reserves.
    - Unemployment Insurance Reserve
    - Retirement Contribution Reserve
    - Employee Benefit Accrued Liability Reserve
    - Tax Certiori Reserve
    - Capital Reserve

# FUND BALANCE

- 4. Assigned
  - Amounts subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
    - Assigned Appropriated Fund Balance
    - Assigned Un-Appropriated Fund Balance (previously encumbrance reserve)

# FUND BALANCE

- **5. Unassigned**
  - The residual amount of fund balance
    - Unassigned unappropriated fund balance
    - Reserve for Tax Reduction

# CV RESERVES 6/30/2010

RESERVE	BALANCE
Unemployment Insurance Reserve	\$100,583
Retirement Contribution Reserve	\$1,893,741
Employee Benefit Accrued Liability Reserve	\$17,082
Capital Reserve	-0-
Reserve for Tax Reduction	\$502,910
<b>TOTAL RESERVES</b>	<b>\$2,514,316</b>

# HISTORICAL BUDGETARY ANALYSIS







# STAFF REDUCTIONS

- 14 Full time teaching positions
- 5 Part time teaching positions
- 2 Support Staff positions

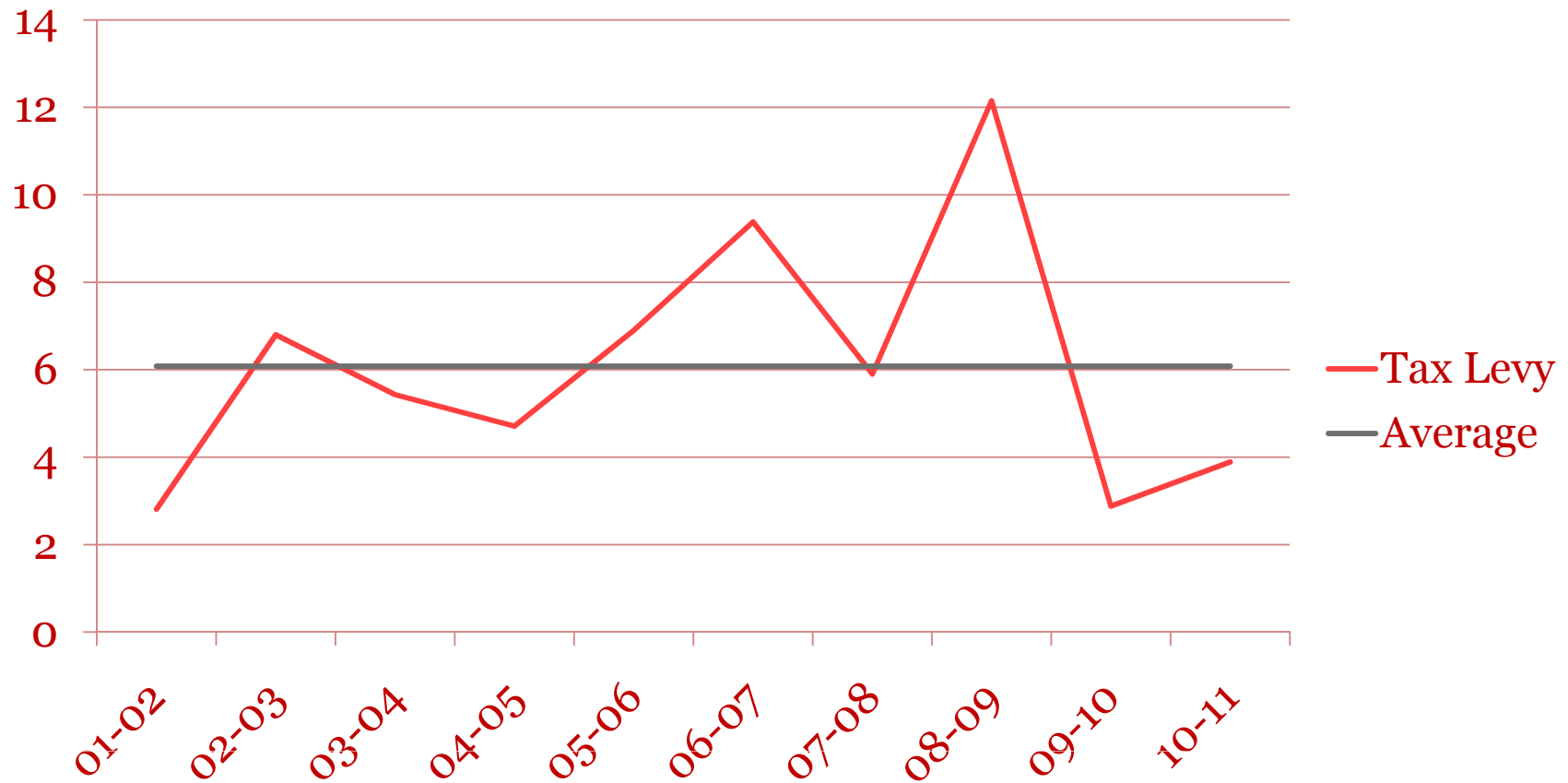
# HISTORICAL FINANCIAL PERSPECTIVE

SCHOOL YEAR	BUDGET INCREASE	TAX LEVY INCREASE
2001-2002	2.32%	2.81%
2002-2003	8.47%	6.80%
2003-2004	7.58%	5.43%
2004-2005	8.46%	4.71%
2005-2006	3.60%	6.90%
2006-2007	4.06%	9.38%
2007-2008	4.66%	5.90%
2008-2009	8.47%	12.15%
2009-2010	1.47%	2.88%
2010-2011	-0.07%	3.89%
<b>AVERAGE</b>	<b>4.90%</b>	<b>6.08%</b>

# BUDGET INCREASE (DECREASE)



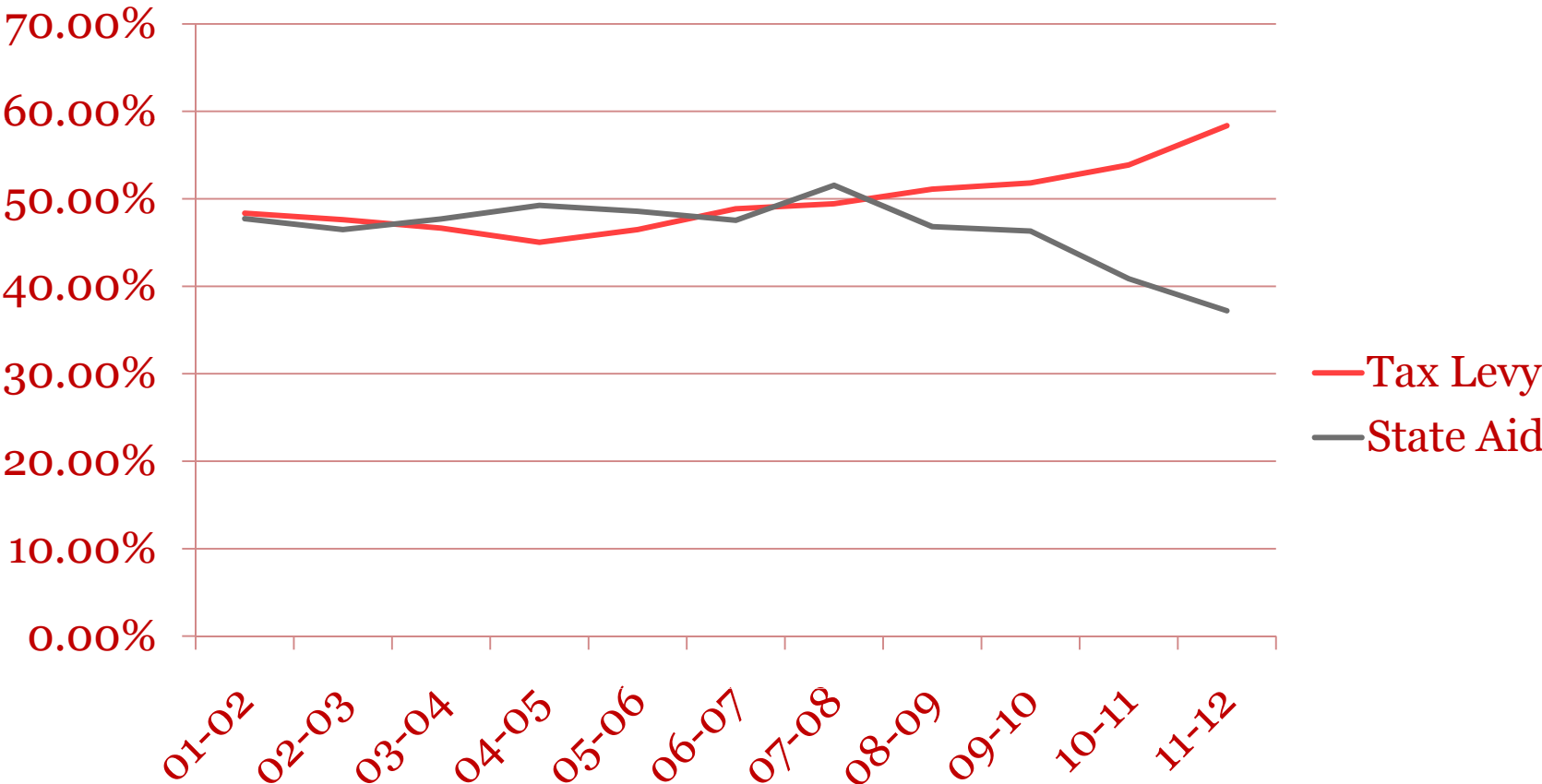
# TAX LEVY INCREASE



# HISTORICAL LEVY VS STATE AID

SCHOOL YEAR	TAX LEVY/TOTAL BUDGET	STATE AID/TOTAL BUDGET
2001-2002	48.35%	47.74%
2002-2003	47.61%	46.48%
2003-2004	46.66%	47.70%
2004-2005	45.04%	49.25%
2005-2006	46.48%	48.57%
2006-2007	48.86%	47.54%
2007-2008	49.43%	51.55%
2008-2009	51.11%	46.82%
2009-2010	51.82%	46.32%
2010-2011	53.87%	40.86%
2011-2012 (projected)	58.36%	37.20%

# LEVY VS STATE AID



# 11-12 BUDGET DEVELOPMENT



## 11-12 BUDGET DEVELOPMENT PROCESS

- Needs-based budget developed from bottom up
- Continues to address past under-funded areas
- Developed to support an adequate fund balance and to assure ongoing financial stability
- Reviewed and approved by the OSC prior to BOE approval



## BUDGET “KNOWNS”

- GEA of \$2,730,236
- 4 of 5 labor contracts have been settled
- Health insurance premium increases will be 12%
- TRS contribution is increasing 45%
- ERS contribution is increasing 45%
- Ed Jobs will be carried to 11-12 to replace ARRA
- Contingency Cap is currently set at 1.92%

## BUDGET “KNOWNS”

- 1% budget increase requires \$318,712 in additional revenues
- 1% budget increase, funded entirely by the local tax levy, requires a 1.86% increase in the levy
- 1% increase in tax levy generates \$171,704 in additional revenues
- It would take a 15.9% increase in levy to replace the Gap Elimination Adjustment in State Aid
- The Ed Jobs money (\$615,019) will reduce the tax levy to replace the GEA to 12.32%

# BUDGET ASSUMPTIONS

- **Enrollment**
  - Assume that most students will progress to the next grade
  - Utilize historical extrapolations to best predict next year's Kindergarten and Pre-Kindergarten sizes
- **Healthcare for CVTA**
  - Assumed no savings from current contract

# HISTORICAL ENROLLMENT

Grade	06-07	07-08	08-09	09-10	10-11
K	136	124	142	131	124
1	125	142	114	<b>144</b>	128
2	140	126	<b>153</b>	116	<b>131</b>
3	117	134	<b>130</b>	<b>156</b>	108
4	136	120	146	<b>143</b>	<b>156</b>
5	121	136	117	<b>159</b>	140
6	139	121	139	118	<b>156</b>
7	135	145	121	130	120
8	138	138	148	123	133
9	<b>178</b>	135	148	151	130
10	<b>164</b>	<b>174</b>	<b>140</b>	148	144
11	<b>175</b>	<b>156</b>	<b>173</b>	<b>127</b>	141
12	<b>160</b>	<b>172</b>	<b>156</b>	<b>176</b>	123
<b>Total</b>	<b>1864</b>	<b>1823</b>	<b>1827</b>	<b>1821</b>	<b>1734</b>
<b>Average</b>	<b>155.33</b>	<b>151.92</b>	<b>152.25</b>	<b>151.75</b>	<b>144.50</b>

# BUDGET “UNKNOWNNS”

- Impact of state budget negotiations on the budget proposed by the Governor
- Impact of the property tax cap for future budgets
- Accurate enrollment picture – especially for Kindergarten and Pre-Kindergarten
- Final estimated cost of requested BOCES services
- Impact of any new regulations
- Impact of escalating fuel costs on all purchases made by the school district
- CVTA contract is not settled



# CURRENT ISSUES FACING THE DISTRICT

- 5 Year Capital Facilities Plan
- Potential Capital Project – Depot and Repairs
- Potential EXCEL Project
- Teacher/Administrator Evaluations
  - Evaluation & Assessment matrix
- Curriculum development to meet new Common Core Standards

# SHORT TERM GOALS

- **Balance proposed state aid budget cuts with:**
  - Existing programs
  - Class sizes
  - Educational and extra curricular needs of the students
  - Operational needs of the District
  - Tax levy assessment to the community
  - Financial health of the District



# LONG TERM GOALS

- **Maintain a responsible tax levy**
- **Maintain acceptable class sizes**
- **Maintain programs**



# 2011-2012 1<sup>st</sup> DRAFT BUDGET

# 2011-2012 1<sup>st</sup> DRAFT BUDGET

	10-11 BUDGET	11-12 BUDGET	\$ CHANGE	% CHANGE
Instructional Salaries	10,234,533	10,290,394	55,861	0.55%
Non-Instructional Salaries	2,581,414	3,034,774	453,360	17.56%
Equipment	160,713	282,338	121,625	75.68%
Contractual	1,792,458	2,004,983	212,525	11.86%
Material & Supplies	810,686	1,024,759	214,073	26.41%
BOCES expenses	4,044,245	4,329,054	284,809	7.04%
Debt Service	3,488,420	3,471,709	(16,711)	-0.48%
Benefits	8,700,150	9,275,510	575,360	6.61%
Interfund Transfers	58,500	58,500	-	0.00%
<b>Totals</b>	<b>31,871,119</b>	<b>33,772,021</b>	<b>1,900,902</b>	<b>5.96%</b>



# WHAT ARE OUR PRIORITIES



WHAT INFORMATION DO YOU NEED?

# NEXT BUDGET WORKSHOP

**Monday, March 7, 2010 at 7:00 PM**