

CHENANGO VALLEY CENTRAL SCHOOLS

BUDGET UPDATE

and the FUTURE

2010-2011 DRAFT BUDGET

March 29, 2010

Budget Update

10-11 BUDGET DEVELOPMENT PROCESS

- Needs-based budget developed from the bottom up.
- Addresses previously underfunded areas.
- Addresses elementary staffing deficiencies.
- Continues to support adequate fund balance development and potentially funds current reserves.
- Assures ongoing financial stability as recommended by the OSC.
- This budget will also have to be reviewed and approved by the OSC prior to BOE approval.

***HISTORICAL BUDGETARY
INFORMATION REVIEW***

HISTORICAL FINANCIAL PERSPECTIVE

SCHOOL YEAR	BUDGET¹ to BUDGET INCREASE	TAX LEVY INCREASE
2000-2001	4.22%	2.71% (\$400,000) FB
2001-2002	2.32%	2.81% (\$425,000) FB
2002-2003	8.47%	6.80% (\$475,000) FB
2003-2004	7.58%	5.43% (\$775,000) FB
2004-2005	8.46%	4.71% (\$825,000) FB
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%
AVERAGE	5.33%	5.97%

2010-2011 DRAFT BUDGET

	09-10 BUDGET	10-11 BUDGET	\$ CHANGE	% CHANGE
Instructional Salaries	9,871,044	10,333,317	462,273	4.68%
Non-Instructional Salaries	2,774,488	2,503,501	(270,987)	-9.77%
Equipment	153,535	203,212	49,677	32.36%
Contractual	2,369,977	1,862,102	(507,875)	-21.43%
Material & Supplies	886,760	879,976	(6,784)	-0.77%
BOCES expenses	3,764,713	4,142,203	377,490	10.03%
Debt Service	3,724,585	3,468,820	(255,765)	-6.87%
Benefits	8,295,491	8,849,898	554,407	6.68%
Interfund Transfers	52,500	58,500	6,000	11.43%
Totals	31,893,093	32,301,529	408,436	1.28%

2010-2011 BUDGET GAP

State Aid & Growth

\$1,577,898

Tax Levy

8.43%

HISTORICAL FINANCIAL PERSPECTIVE

SCHOOL YEAR	TAX LEVY TOTAL BUDGET	STATE AID TOTAL BUDGET
2000-2001	48.13%	45.21%
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	55.48%	42.11%

Budget Guidance

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WE NEED TO LOWER OUR RANGE

TAX LEVY	REQUIRED BUDGET REDUCTIONS
5.90%	(\$418,151) use of reserves only
4.90%	(\$583,428) \$550,000 reserves & \$33,428 fb
3.90%	(\$748,705) \$550,000 reserves & \$198,705 fb

Scenario #3

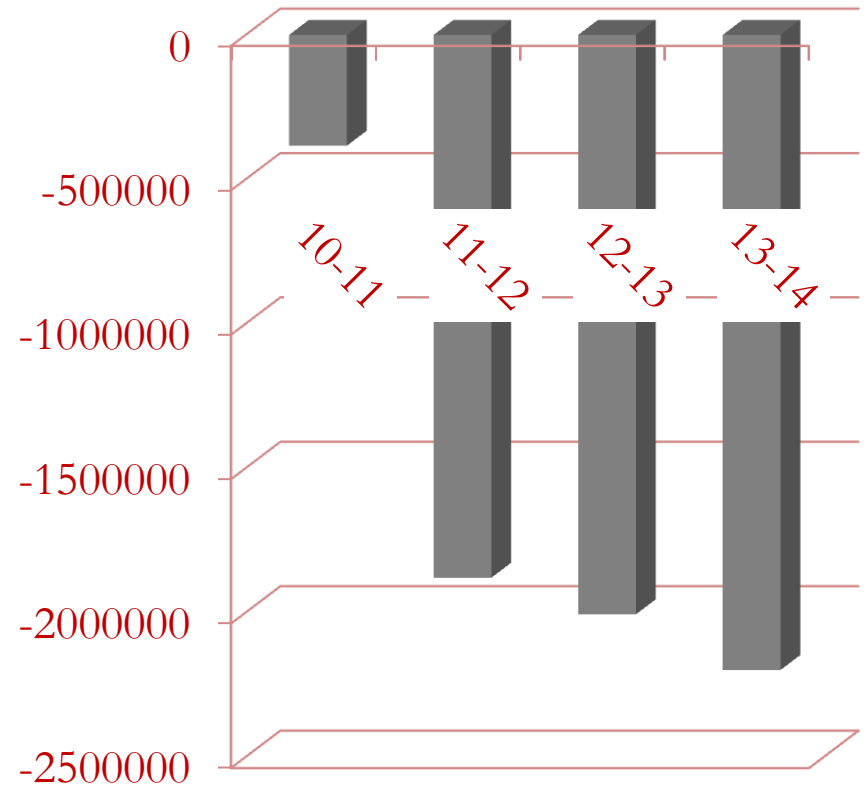
4.9% Levy

LONG TERM PROJECTIONS

SCENARIO #3

	2010-2011	2011-2012	2012-2013	2013-2014
TAX LEVY	4.90%	4.00%	4.00%	4.00%
STATE AID	-9.11%	0.00%	4.00%	4.00%

Operating Gain/Loss



Budget Scenario #3 Option (4.9%)

\$583,428 Reductions Needed!

Appropriate Reserves	\$550,000
Appropriate Fund Balance	\$33,428

New Scenario #4

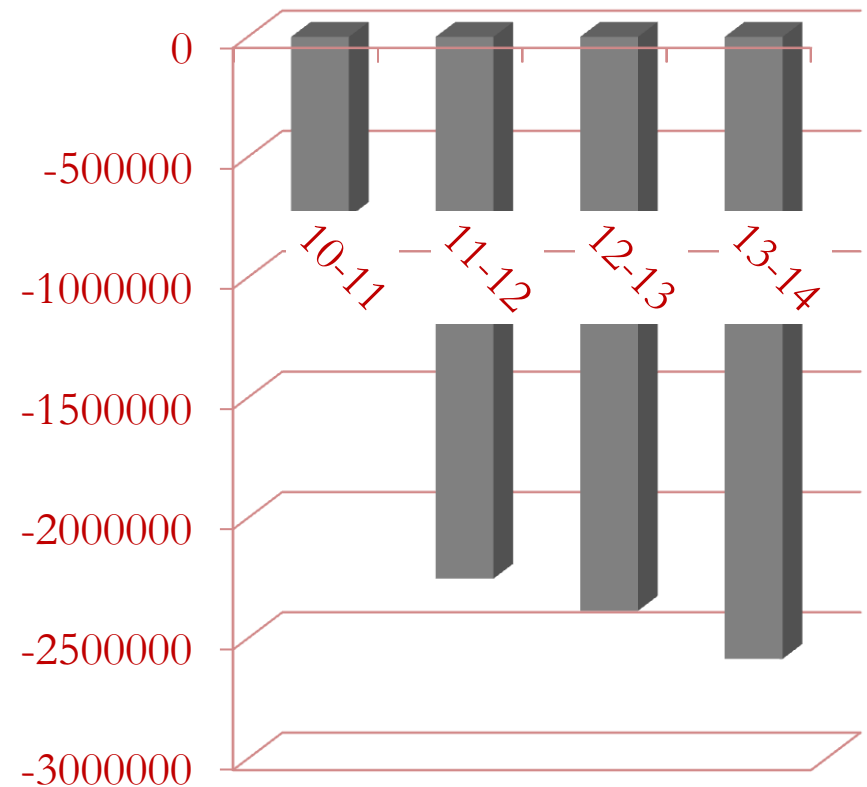
3.9% Levy

LONG TERM PROJECTIONS

SCENARIO #4

	2010-2011	2011-2012	2012-2013	2013-2014
TAX LEVY	3.90%	4.00%	4.00%	4.00%
STATE AID	-9.11%	0.00%	4.00%	4.00%

Operating Gain/Loss



New Budget Scenario #4 Option (3.9%)

\$748,705 Reductions Needed!

Appropriate Reserves	\$550,000
Appropriate Fund Balance	\$150,000
Additional Budget Reductions	\$48,705

PENDING BUDGET ISSUES

- State Aid Revenue Projections

OPTIONS IF STATE AID INCREASES?

- Lower Amount of Fund Balance Used
- Lower Amount of Reserve Used
- Lower Tax Levy Percentage
- Combination of the Above Options

DISTRICT'S GOAL

Balance proposed state aid budget cuts

Versus

Existing program needs

Class size expectations

Operational needs of the district

2010 – 2011 BUDGET

LEVY _____ %

Our New Contingency Scenario

5.16% Tax Levy

CONTINGENCY BUDGET

- *Currently the **Contingent Budget Cap** is Now*
0%
- *It would require cutting the current operating budget by:*
\$540,451 without using **Reserves or Fund Balance**
- *The tax levy for a **Contingency Budget** would be:*
5.16%

Contingency Budget Reductions (5.16%)

\$540,451 Reductions Needed without Reserves!

Equipment Purchases	\$124,100
Additional Teachers/Assistants	\$220,000
All Modified Sports	\$ 93,000
Support Staff Positions	\$ 70,000
Various Other Reductions	\$ 33,351

It is Important to Note:

The reductions are in areas that would require cuts via the contingency cap formula for **Administrative, Program, and Capital** component percentages of the total budget.

Contingency Budget Scenario Option (5.16%)

Total Budgeted	Budget Component	Mandatory Reductions
\$ 2,752,105	Administrative	\$ 0
\$ 22,983,830	Program	\$ (416,351)
\$ 6,565,594	Capital	\$ (124,100)
\$ 31,301,529	Total Budget	\$ (540,451)

Future Budget Guidance

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In 2011-2012?

Using this years budget (*if approved*) and projecting flat State Aid for the 2011-2012 school year:

Our budget will lose ARRA funds \$ 734,794

Our yearly carrying costs will increase* \$1,300,000

Minimum Budget-to-Budget Increase* \$2,034,794

* Rough estimates only

How We Might Address This Funding GAP

The \$2,034,794 Gap would require a 11.71%* Tax Levy, without the use of Reserves and/or Fund Balance.

We may need to follow the same plan as this year:

Use Reserves	\$ 550,000
Use Fund Balance	\$ 150,000
Levy and/or Reductions!!!	\$1,334,794*
Potential Levy to Cover \$1,334,794 *	7.68%*

* Rough estimates only

NEXT BUDGET WORKSHOP

TENTATIVE

WEDNESDAY, APRIL 14, 2010 at 7:00 PM