

HAMBURG SCHOOL DISTRICT BUDGET INFORMATION MEETING

February 9, 2012

Agenda



- Review of Budget, Levy, and State aid history
- Tax Levy Limit
- Challenges/Initiatives
- Enrollment and Staffing
- Preliminary Budget Maintaining all Programs and Services
- Budget Reduction Draft
 - Reductions and Impact Statements

Annual Budget Analysis

Year	Budget	\$ Increase	% Increase
2006-07	\$ 48,232,078	\$ 1,377,688	2.90%
2007-08	49,939,285	1,707,207	3.54%
2008-09	52,812,748	2,873,463	5.75%
2009-10	55,225,936	2,413,188	4.57%
2010-11	55,079,135	(146,801)	-0.27%
2011-12	56,774,628	1,695,493	3.08%
2012-13	59,256,910	2,482,282	4.37%

Annual Levy Analysis

Year	Levy	\$ Increase	% Increase
2006-07	\$ 22,751,454	\$ 1,581,454	7.47%
2007-08	24,383,661	1,632,207	7.17%
2008-09	26,568,538	2,184,877	8.96%
2009-10	27,316,726	748,188	2.82%
2010-11	28,627,929	1,311,203	4.80%
2011-12	30,474,628	1,846,699	6.45%
2012-13	33,899,910	3,425,282	11.24%


Annual State Aid Analysis

Year	State Aid	\$ Increase	% Increase
2006-07	\$ 18,760,717	\$ 711,951	3.94%
2007-08	20,208,358	1,447,641	7.72%
2008-09	22,578,499	2,370,141	11.73%
2009-10	20,299,091	(2,279,408)	-10.10%
2010-11	18,773,846	(1,525,245)	-7.51%
2011-12	18,780,683	6,837	0.04%
2012-13	19,257,000	476,317	2.54%

Annual Budget Analysis

Year	Budget	Tax Levy	State Aid	Other
2006-07	\$ 48,232,078	\$ 22,751,454	\$ 18,760,717	\$ 6,505,624
2007-08	49,939,285	24,383,661	20,208,358	5,575,624
2008-09	52,812,748	26,568,538	22,578,499	4,694,210
2009-10	55,225,936	27,316,726	20,299,091	5,909,210
2010-11	55,079,135	28,627,929	18,773,846	6,151,206
2011-12	56,774,628	30,474,628	18,780,683	6,100,000
2012-13	59,256,910	33,899,910	19,257,000	6,100,000

Tax Levy Limit Calculation


$$\begin{aligned} & \text{Prior Year Tax Levy} \\ & \quad \times \\ & \text{Tax Base Growth Factor, if any} \\ & \quad + \\ & \text{Payments in lieu of taxes receivable during prior year} \\ & \quad - \\ & \text{Taxes levied for exemptions during prior year} \\ & \quad = \\ & \text{Adjusted Prior Year Tax Levy} \\ & \quad \times \\ & \text{Allowable levy growth factor (lesser of 2\% or CPI)} \\ & \quad - \\ & \text{Payments in lieu of taxes receivable in the coming year} \\ & \quad + \\ & \text{Available carryover, if any} \\ & \quad = \\ & \text{“TAX LEVY LIMIT”} \end{aligned}$$

Total Levy to Support Proposed Budget:



Tax Levy Limit

+

Coming school year exemptions

=

Maximum Allowable Tax Levy
(requiring a simple majority)

Preliminary Tax Levy Limit Calculation:

Current Year Tax Levy	\$30,474,628
Tax Base Growth Factor	<u>X1.0061</u>
	30,660,523
Current Year Pilots	<u>+ 125,108</u>
	30,785,631
Current Year Exemptions	<u>- 354,985</u>
ADJUSTED CURRENT YEAR LEVY	30,430,646
Allowable Growth Factor (CPI or 2% Max)	<u>x 1.02</u>
	31,039,258
Est. Pilots for coming year	<u>- 121,901</u>
TAX LEVY LIMIT	= 30,917,357

Budget Year Exemptions



- Still waiting for guidance from the State
- Will include certain items from the capital budget
 - Net Debt Service
 - Net Equipment
- Retirement contributions over a 2% increase
 - Still sorting out if TRS will be eligible for an exemption

CHALLENGES



□ DISTRICT

- ▣ Budget – expenditures outpacing revenues
- ▣ Taxes – legislated cap on increasing local property taxes
- ▣ Academic Goals – School Improvement Plans
- ▣ Long Range Facilities Planning

□ STATE

- ▣ SED Reform Agenda – RTTT, APPR, CCSS, SLO, Rtl, DASA,
- ▣ Budget – State Aid

□ NATIONAL

- ▣ Federal Title Grants, Educational Jobs Funding

Assumptions: Current Program Budget

- Revenue

- ▣ State Aid increase of approximately \$475,000
- ▣ Aid formulas for expense driven costs remain the same
- ▣ Education Jobs Fund of \$1,168,000 expires
- ▣ Sales tax revenue remains the same

- Expense

- ▣ Salary increase: \$860,000
- ▣ TRS/ERS increase: \$450,000
- ▣ Health insurance premium increase: \$440,000
- ▣ BOCES cost increase: TBD
- ▣ Special Education cost increase: \$134,000

Budget Impact – Current Program

Budget Rollover - Deficit	\$3.5 million
Minus Allowable Tax Levy (total tax cap)	\$442,730
Budget Deficit Above the Tax Levy Cap for the Rollover Budget	\$3,057,270
1% increase in tax levy equals	\$338,999
Tax Levy Above Cap Necessary to Close the Deficit for Implementation of Rollover Budget	\$2,982,552
Total Tax Levy Needed to Close the Total Deficit for Implementation of Rollover Budget	\$33,899,910

Actions to Reduce/Control Spending



- NY 44 Health Insurance Consortium
- NYSIR – Liability Insurance Consortium
- Energy Education Program
- Refinancing Capital Improvement Bonds
- 2011-12 Budget Frozen since November
- SMEC – Cooperative Utility Purchasing
- Workers Compensation Consortium
- Application for School District Improvement Grant of \$1.8 million over 3 years

Budget Modifications

\$ 1.404 million in spending reductions

Decision-Making Criteria used in the Development of the 2012-13 Budget

- Enrollment driven – no impact on program/services
- Changes driven by program/service needs
- Degree of impact of program/service reductions on students
- Property tax impact including impact of exceeding the cap
- Board of Education, Leadership Forum, Budget Ambassador Deliberations
- New York State Reform Agenda (RTTT)

Decision-Making Criteria used in the Development of the 2012-13 Budget



- Total Budget Gap after initial reductions
- Impact on Future Budgets
- Consideration of the Fiscal Status of New York State and Future State Aid Formula Changes
- Potential Reductions Necessary in the Formulation of the 2013-14 Budget

Enrollment - Elementary

	2011-12	2012-13	Change
K	242	259	17
1	242	234	(8)
2	285	241	(44)
3	256	288	32
4	248	247	(1)
5	281	246	(35)
TOTAL	1,554	1,515	(39)

Elementary Staffing – FTE/Level

Current Guideline:	K <= 20, Gr. 1 – 5 <= 24	
	2011-12	2012-13
K	13.5	15
1	13.0	12.0
2	14.0	11.0
3	12.0	13.0
4	14.0	13.0
5	14.0	12.0
TOTAL	80.5	76.0

Elementary Staffing – FTE/Level

Current Guideline:	K ≤ 22, Gr. 1 – 5 ≤ 25	
	2011-12	2012-13
K	13.5	12.0
1	13.0	11.0
2	14.0	11.0
3	12.0	13.0
4	14.0	12.0
5	14.0	11.0
TOTAL	80.5	71.0

Enrollment – Middle School

	2011-12	2012-13	Change
6	284	327	43
7	295	287	(8)
8	295	300	5
TOTAL	883	923	40

Middle School Option



Current: Grade 6: 11.0 FTE – (23.4)

Grade 7: 3.0 Core Teams (12.0 FTE)

Grade 8: 3.0 Core Teams (12.0 FTE)

Option: Grade 7 & 8 Split Teams

Grade 6: 12.0 FTE – (25.0)

Grade 7: 2.5 Core Teams (10.0 FTE)

Grade 8: 2.5 Core Teams (10.0 FTE)

Enrollment – High School

	2011-12	2012-13	Change
9	316	288	(28)
10	275	318	43
11	287	274	(13)
12	318	289	(29)
TOTAL	1196	1169	(27)

High School - Staffing

	2011-12	2012-13
General Education	85.8	80.8
Special Education	13.6	13.6
TOTAL	99.4	94.4
5.0 FTE reduction in general education staffing to be recommended by high school		

2012-13 Budget Development Reductions

Item	Building or Area	Estimated Reduction	Impact of Reduction
Certification Service	BOCES	\$6,000	Eliminates service from BOCES with teacher certification – more reliance on SED
Video Project Connect Service	BOCES	\$1,200	Eliminate distance learning service from BOCES at Boston Valley. Replaced by newer technology.
Safety Risk Management Service	BOCES	\$9,000	Reduce “in house” BOCES personnel to 1/2 day/week. Rely on district personnel for issues on “right-to-know”, MSDS, etc.

2012-13 Budget Development Reductions

Item	Building or Area	Estimated Reduction	Impact of Reduction
Printing Service	BOCES	\$1,500	Eliminates service from BOCES – not utilized.
Behavior Management Consultant	BOCES	\$11,450	Reduce services by .5 FTE. Utilize consultant on most critical cases and create a district team to work on other cases
Special Educaton	BOCES	Unknown	Continue to review BOCES program services for students and bring back to these services to the district when possible.

2012-13 Budget Development Reductions

Item	Building or Area	Estimated Reduction	Impact of Reduction
Buildings and Grounds	Facilities	2.0 FTE Cleaner \$65,000	Reduces staff from full time in to part time in some buildings. Schedule changes and building use will be monitored.
Buildings and Grounds	Facilities	1.0 FTE Laborer \$30,000	Reduces Laborer staffing from 6.0 FTE to 5.0 FTE. Work orders and schedules may be modified.
Buildings and Grounds	Facilities	1.0 FTE Maintenance Mechanic \$50,000	Reduces Maintenance Mechanic staff from 7.0 FTE to 6.0 FTE. Work orders and schedules may be modified.

2012-13 Budget Development Reductions

Item	Building or Area	Estimated Reduction	Impact of Reduction
Staffing – Classroom Teacher	Elementary	10.0 FTE \$550,000	Class size guidelines change from an average of 20 students at kindergarten and 24 students in grades 1 – 5 to an average of 22 students in K – 1, and 25 students in 2 – 5.
Staffing – Classroom Teacher	Middle	3.0 FTE \$165,000	Grade 6 increases 1.0 FTE. 7 th and 8 th grade teams reduced 1.0 FTE in core areas. Schedule 2012-13 in split team format. Increase of class size and teacher preparation.

2012-13 Budget Development Reductions

Item	Building or Area	Estimated Reduction	Impact of Reduction
Staffing – Classroom Teacher	High School	5.0 FTE \$275,000	Reduction in staff as recommended by high school administration. Possible reduction of electives, elimination of low enrollment classes, and higher class sizes.
Staffing – Teacher Aide	Elementary/ High School	4.0 FTE \$80,000	Reduction of 6.0 FTE aides at the elementary level. Increase of 2.0 FTE teacher aides at the high school level due to special education needs.
Clerical	District-wide	6.0 FTE \$210,000	Reconfiguration of duties and schedules for building and department coverage.

2012-13 Budget Development Reductions – Draft 2

Item	Building or Area	Estimated Reduction	Impact of Reduction
Assistant Superintendent	Central Office	\$50,000	Possible title change of position from Asst. Supt. to Director. Possible sharing of position with another district.
Estimated Retirements	District-wide	Unknown	Agreed upon retirement incentive did not achieve required number of retirees. Negotiations continuing with HTA.
Bond Refunding	District-wide	\$100,000	Refunding current bonds at lower interest rates.
Athletics	District-wide	\$45,000	Reduction of 10% of athletic budget. Review of # of teams, travel and tournaments, and supplies and equipment.

Summary of Potential Reductions

Building/Area	Teacher or Admin. Reductions	Support Staff Reductions	\$ Reduction
Elementary	10.0	3.0	(\$670,000)
Middle	3.0	1.0	(\$200,000)
High	5.0	1.0	(\$310,000)
District-wide	.5	4.0	(\$195,000)
BOCES	1.0	0	(\$29,150)
Total	19.5	10.0	(\$1,404,150)

Budget Impact –

Total Reductions in Budget	\$1.404 million
Budget Deficit After Reductions minus Allowable Levy Limit	\$1,657,270 million
Tax Levy Above Cap Needed to Close Deficit	\$1.65 Million
Total Tax Levy Needed to Close Total Deficit	\$32,495,760 6.6%

Issues Under Study



- Eight period day vs. nine period day at the middle school
- Eight period day vs. nine period day at the high school
- Special area subjects at Elementary and Middle
- Substitute costs
- Technology

Budget Development Sessions



- **Budget Hearing**

- ▣ May 1, 2012

- **Special Budget Workshops**

- ▣ February 28, 2012

- ▣ March 6, 2012

- ▣ March 20, 2012

- ▣ April 3, 2012

- **Regular Board Meetings**

- ▣ February 14, 2012 (High School)

- ▣ March 13, 2012 (Middle School)

- ▣ April 17, 2012 (Administration Bldg. – Budget Adoption)