

2017/2018 Proposed Budget Overview

Rockville Centre UFSD

February 15, 2017

Budget Timeline

- November – December Administrator Input
- January Administration Review
- February 1 Issues Impacting Budget
- February 15 Budget Overview
- March 1 Tax Limit Calculation Due
- March 8 Budget Detail Review
- March 22 Staffing Budget Review
- April 20 Preliminary Budget Hearing
- May 3 Formal Budget Hearing
- May 16 Annual Election and Budget Vote

Issues Impacting the Budget

- CPI for Tax Levy Limit (Tax Cap) is 1.26%
 - Due to Building Aid increase, Tax Levy Limit is 0.746%* for Rockville Centre Schools
- Debt Service offset by SED Building Aid
 - Over \$700,000 in Capital expenditure cost increase offset by \$1,100,000 in new building aid revenue increases
- Audit recommendations
 - School Lunch – Include subsidy as line in budget
 - ERS – Show use of reserve as line in budget
- Health Insurance premium increase over 12% but only need to increase by 3.8% due to negotiated givebacks from unions
- TRS employer contribution rate decrease provides a large decrease in TRS budget line

*Tentative

Issues Impacting the Budget

- Transportation contract reductions due to cooperative bidding
- Special Education Program
 - RISE, CORE, Summer School and Private Placements
- Negotiations
 - Settlements with Teachers/TA's, Office Staff, Teacher Aides and Nurses
 - Kept overall contract costs under 2% per year
 - Administrator, Security and Custodial/Maintenance units expiring 6/30/17

Budget Overview - Revenue

	<u>2016/2017</u>	<u>2017/2018</u>	<u>\$ Change</u>	<u>% Change</u>
• Tax Levy	\$91,815,000	\$92,500,000	\$ 685,000	0.746%
• Revenue				
– State Aid	\$ 10,089,695	\$11,765,073	\$ 1,675,378	16.60%
– Non-Resident Tuitions	\$ 2,200,000	\$ 2,400,000	\$ 200,000	9.09%
– Other Revenue	\$ 2,578,000	\$ 2,817,000	\$ 239,000	9.27%
• Transfer from ERS Reserve	\$ 0	\$ 400,000	\$ 400,000	New
• Applied Fund Balance	\$ 2,800,000	\$ 2,800,000	\$ 0	0.00%
	=====	=====	=====	=====
Grand Total Revenue Support	\$109,482,695	\$112,682,073	\$ 3,199,378	2.92%

Budget Overview - Expense

- Major changes/key items

– Payroll increases	\$1,387,750	
– Debt Service	\$ 719,616	
– ERS	\$ 500,000	
– Health Insurance	\$ 450,000	
– BOCES	\$ 192,335	
– Special Ed Tuitions	\$ 284,900	
– New/Contingent Staffing	\$ 350,000	
– Xfer to School Lunch	\$ 100,000	
– TRS	-\$ 500,000	
– All other changes	<u>-\$ 285,223</u>	
– Total Proposed Increase	\$3,199,378	2.92%

Budget Overview

- Salaries
 - Includes contractual changes only, does not include any changes due to contract negotiations (3 units expiring – Administrators, CSEA Custodial/Maintenance and Security)
 - Includes all current staffing, no cuts
 - Includes Additional Staffing
 - Contingency - 1 Teacher, 2 TA's, 2 Aides (\$210,000)
 - New - 1 Security, 1 Cleaner, 1 Grounds (\$140,000)
- Equipment And Supplies
 - Combined change a slight increase

Employer Contribution Rate

- Employer Contribution Rate (ECR)
 - Employees Retirement System (ERS)
 - Implement Auditor recommendation to increase budget line and show use of reserve as a revenue
 - Budget line increase will be \$500,000 and offset by projected revenue from reserve of \$400,000
 - Teachers Retirement System (TRS)
 - Reducing budget line
 - ECR reduced from 11.72% to approx 10.00% (9.5%-10.5%)
 - Since full accrual, able to reduce budget line item
 - Not expecting further reductions, concern about future increases

Recent History of TRS

Budget Year	TRS Rate	Budget Amount	Actual Payment	(Over) / Under Budget	
10/11	8.62%	\$3,700,000	\$3,621,676	\$78,324	
11/12	11.11%	\$4,600,000	\$4,877,780	-\$277,780	
12/13	11.84%	\$4,600,000	\$5,327,869	-\$727,869*	
13/14	16.25%	\$5,800,000	\$7,562,004	-\$1,762,004	
14/15	17.53%	\$6,500,000	\$8,411,137	-\$1,911,137	
15/16	13.26%	\$6,500,000	\$6,561,500	-\$61,500	
16/17	11.72%	\$5,900,000	\$5,880,000	\$20,000**	
17/18	10.00%	\$5,400,000	\$5,200,000	\$200,000**	
* First year of decision to "pay as we go" and not continue to budget for accruing TRS costs					
** Estimated					

Impact of Tax Cap on Tax Levy

- Tax Levy for 2016/2017 \$91,815,000
- Allowable increase due to tax cap \$ 1,125,000 1.23%
- Allowable increase due to capital exemptions \$ -430,000 - 0.47%
- Maximum Allowable Tax Levy for 2017/2018 \$92,510,000 0.76%

- Tax Cap Increase Allowed without exceeding cap \$ 695,000 0.76%
- Tax Cap Increase to be utilized for 2017/2018 \$ 685,000 0.75%

- Tax Levy will again be UNDER the tax cap

Impact of Tax Cap on Budget

- Budget for 2016/2017 \$109,482,695
- Projected Increase \$ 3,199,378 2.92%
- Allowable increase based on tax cap \$ 1,125,000 1.03%
- Allowable increase for capital exemptions \$ - 440,000 0.39%
- Remaining increase that needs to be funded \$ 2,514,378 2.29%
- Need to fund \$2,514,378 from other revenue sources

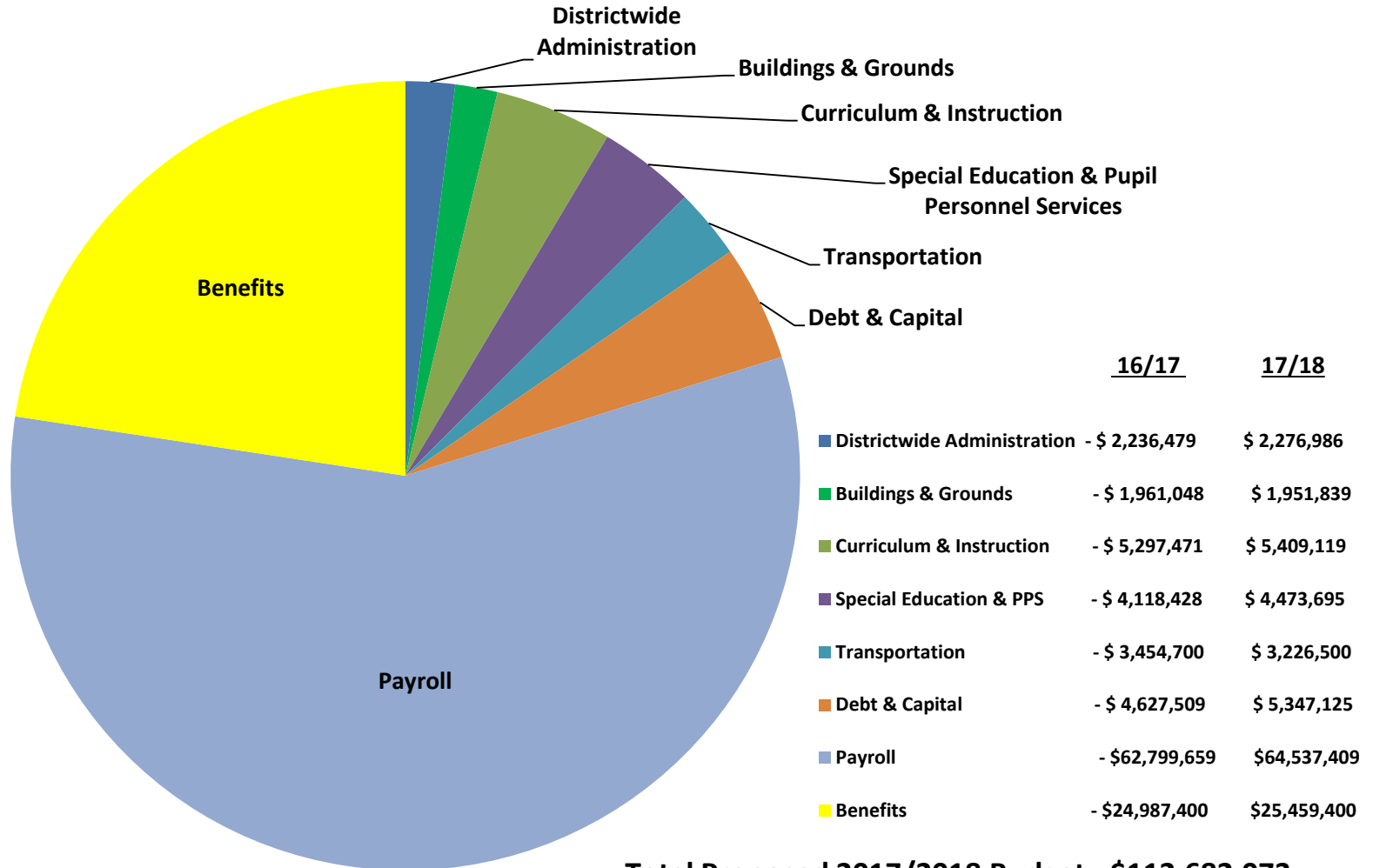
Revenue

- State Aid(BOCES/Building) +\$1,675,378
- Non-Resident Tuitions +\$ 200,000
- Summer School/Interest/Other+\$ 239,000
- Transfer from ERS Reserve +\$ 400,000
- Projected Increases +\$2,514,378

Budget & Revenue Summary

- Expense
 - Budget for 2016/2017 \$109,482,695
 - Projected Increase \$ 3,199,378
 - Proposed 2016/2017 Budget **\$112,682,073**
- Revenue
 - Tax Levy \$ 92,500,000
 - Other Revenues \$ 17,382,073
 - Applied Fund Balance \$ 2,800,000
 - Total Proposed Revenues **\$112,682,073**
- **Budget is Balanced! Can not add more expense unless another expense is reduced or another revenue source is found.**

Proposed 2017/2018 School Budget



Total Proposed 2017/2018 Budget - \$112,682,073

Total Actual 2016/2017 Budget - \$109,482,695