

Superintendent's Recommended Budget for 2014/15



Presented to the Board of Education
March 4, 2014

Supporting the District's Mission

The mission of the Rye City School District, in partnership with the community, is to ensure that every student is capable of becoming a life-long learner who can thrive in a global environment as a self-reliant and socially responsible citizen. To realize this mission, our schools will provide an engaging, challenging, personalized program that supports each individual's talents and potential, in a cost effective manner.

District Goals



DISTRICT'S FINANCIAL ACTIVITIES

- As reported in the annual audit, the District has financial activity in each of the following funds:
 - **General Fund**
 - Special Aid Fund (Grants) IDEA \$1M+, Title \$100k+
 - School Lunch Fund
 - Special Purpose (TA) Fund
 - Capital Fund
 - Debt Service Fund
- The annual budget process each year focuses on the planned activities in the **General Fund**, also called the “Operating” Fund.
- The General Fund’s total expenditure appropriations are voted on by the public each year in May; 5/20/2014. If not successful, another vote in June is permitted.

RCSD 2014/15 Tax Cap Calculation

Prior Year Tax Levy	
x Assessment Growth Factor	
+ Current PILOTS	
-Exemptions	
x Lower of CPI or 2%	As set by the state = 1.46
- Next Year's PILOTS	
+ Carryover	
+ Exemptions	
= Allowable Tax Levy for Next Year	Final Rate = 1.64%

Review of Prior Cost Saving Measures

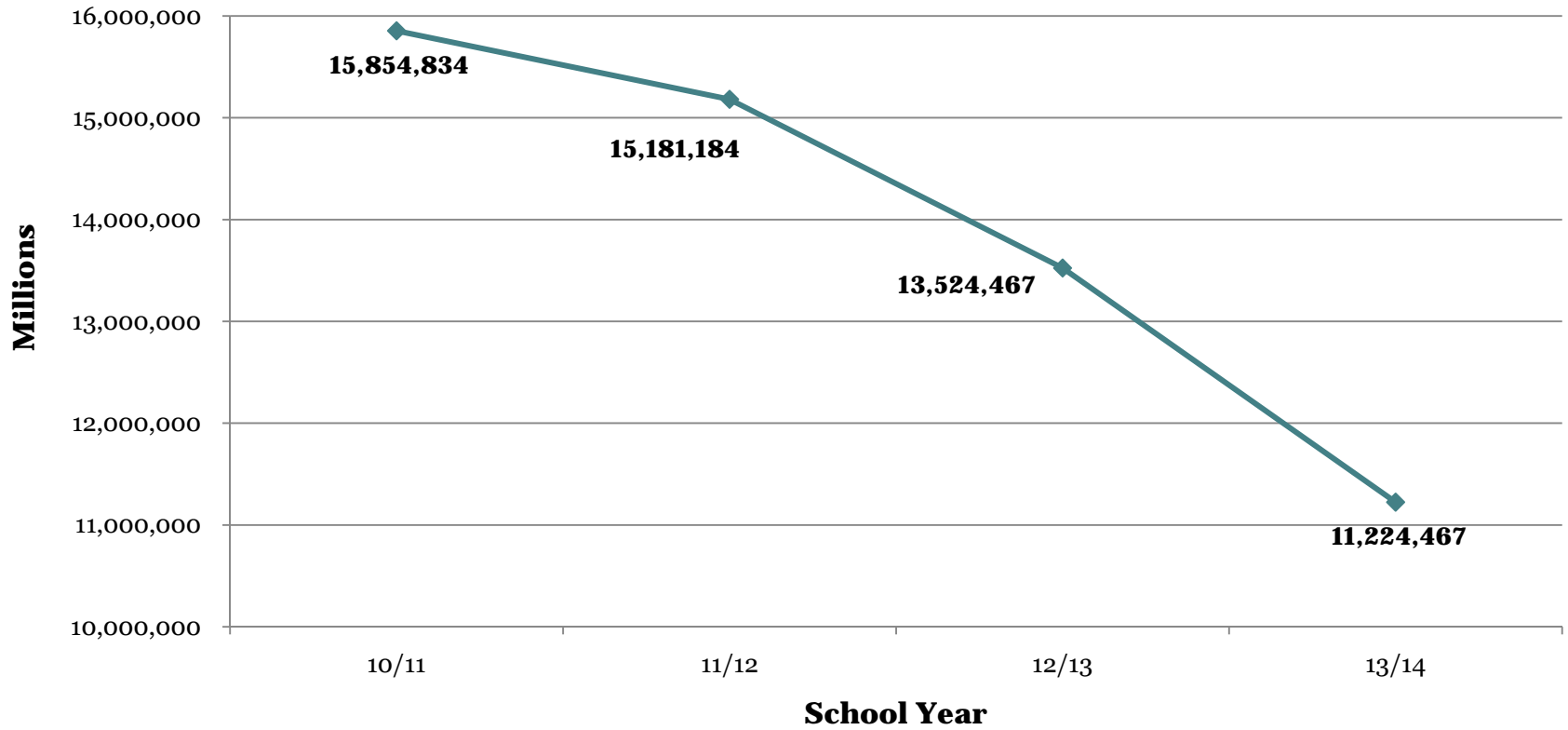
- **Cut 61.9 District Wide Staff Since 2009/10**

Review of Prior Cost Saving Measures

- **Cut 61.9 District Wide Staff Since 2009/10**
- **Decreased Reserves**
 - Conservative use of Fund Balance has decreased Reserves by **29% as of 2010/11.**

RCSD Fund Balance

Remaining Fund Balance



Review of Prior Cost Saving Measures

- **Cut 61.9 District Wide Staff Since 2009/10**
- **Decreased Reserves**
 - Conservative use of Fund Balance has decreased Reserves by **47%**.
- **Implemented Efficiencies**
 - Programs
 - Staffing
 - Software: WinCap, Aesop, dmPlanning

Review of Prior Cost Saving Measures

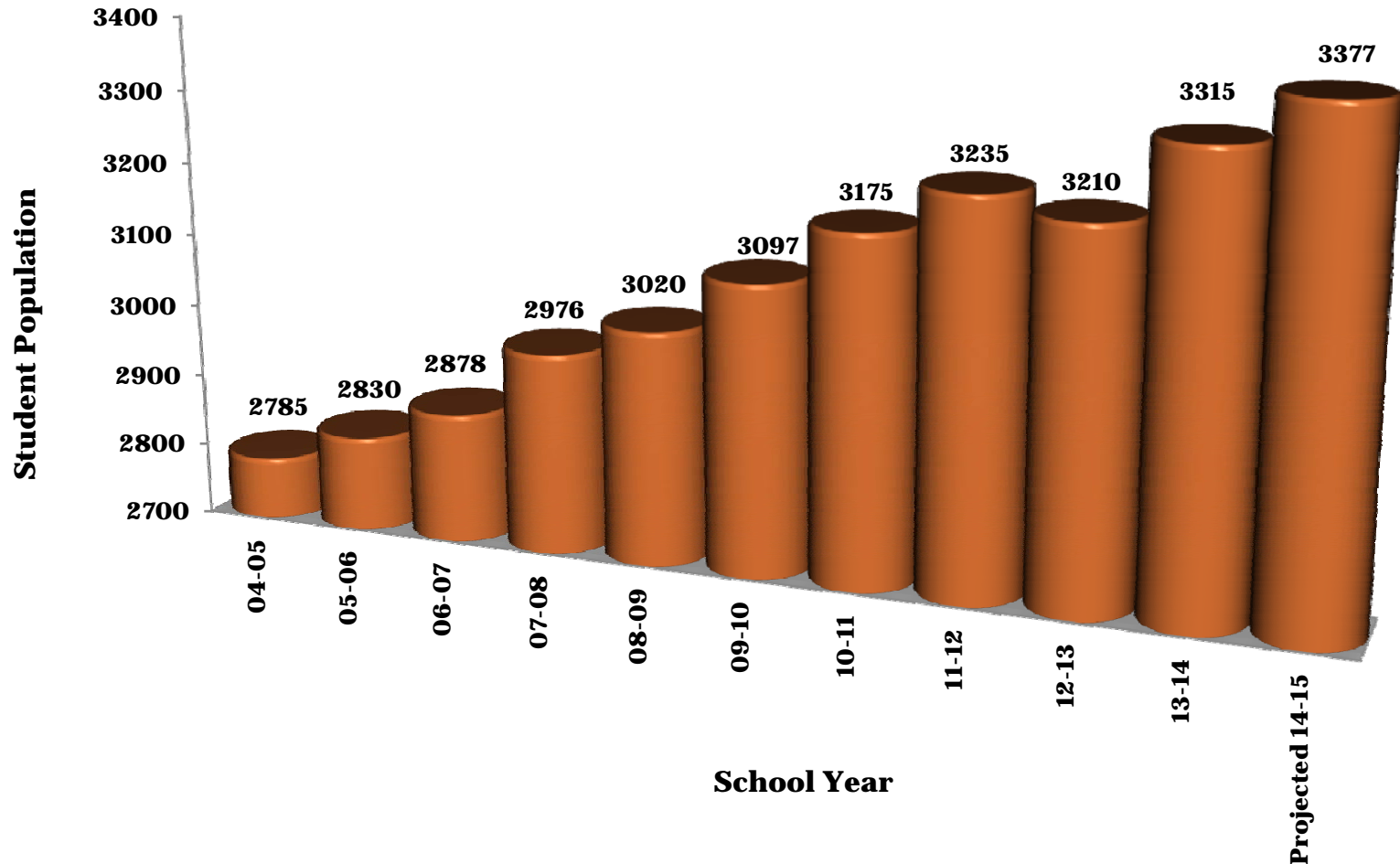
- **Cut 61.9 District Wide Staff Since 2009/10**
- **Decreased Reserves**
 - Conservative use of Fund Balance has decreased Reserves by **47%**.
- **Implemented Efficiencies**
 - Programs
 - Staffing
 - Software: WinCap, Aesop, dmPlanning
- **Used Cost Sharing Opportunities**
 - BOCES Services
 - Participation in Consortium for Employee Benefits: Health Care & Worker's Compensation Coverage
 - Cooperative Bidding: District, County, State

Budget Drivers Beyond Local Control

- Employer Retirement Contributions
 - TEACHERS' RETIREMENT SYSTEM (TRS)
 - Projected contribution rate increase by 1.28 percentage points changing from 16.25% in 13/14 to 17.53% in 14/15
 - 2014/15 Projected expenditure of \$5,813,730, a **9% INCREASE** from the 2013/14 expense
 - 85% of all staff participates in TRS
 - EMPLOYEES' RETIREMENT SYSTEM (ERS)
 - Projected blended contribution rate to SLIGHTLY decrease by .8 percentage points from 20.9% to **20.1% still extremely high**
 - 2014/15 Projected expenditure of \$1,207,096, a **2% INCREASE** from the 2013/14 expense
 - Current staff population resides in the highest rated Tiers 3&4
- Employee/Retiree Health Care Benefit Costs
 - Anticipated rate **INCREASE of 4.75%**
- On-Going NYS Legislative Mandates

Employer retirement contribution percentage point increases that fall below 2 are **NOT exempt from the Tax Cap calculation**

Enrollment GROWTH Since 2004



Current Tax Cap legislation DOES Not allow for exemptions based on increased enrollment

Planning for Enrollment Changes

Actual versus planned enrollment may cause staffing increases above what is expected for a given year.

In October of each year, the district's demographer is sent the actual enrollment for BEDS day.

The birth rates and actual migration in and out for each grade is studied and an updated five-year projection is provided for each school.

Rye City Schools often experience unusual patterns of in and out migration. Some of these changes are difficult to plan for during the budget process.

The staffing required to maintain class sizes within the guidelines for each grade is determined.

Often, when sections are added (whether planned or unplanned), added sections of special areas are also needed.

Unlike many neighboring districts, Rye does not permit staff to enroll their children in the schools.

There are a limited number of students who are admitted on a case-by-case basis as tuition-paying students, providing space is available.

The non-resident tuition revenue lowers the taxes for residents more than the actual incremental cost for the students admitted since sections are not added.

2014/15 Enrollment Forecast

GRADES	2013/14 Actual	2014/15 Projected	# CHANGE	% CHANGE
K-5	1,605	1,597	-8	-0.49%
6-8	743	741	-2	-0.26%
9-12	959	1031	+72	+7.50%
Self-contained Special Educ.	8	8	0	NA
TOTAL	3,315	3,377	+62	+1.87%

Based on the projected enrollment increase of 144 students at the HS since 2012/13, additional sections are needed at the HS in 2014/15.

Elements Superintendent's Recommended 2014/15 Budget:

- Maintains all current programs
- Supports class size policy
- Mandated computer-based testing (CBT)/ instructional technology
- Modestly continues effort to address aging building needs
- 4 High School teachers
- Writing Mentor program for ALL 9 &10 graders
- Security guard
- Custodian due to increase in building square footage of 27,000

Changes in Expenses for 2014/15

COST CENTER	2013/14 APPROVED BUDGET	2014/15 RECOMMENDED BUDGET	CHANGE
SALARIES	40,349,840	42,698,866	2,349,026
BENEFITS	19,363,000	20,290,150	927,150
REGULAR SCHOOL	2,032,880	2,154,392	121,512
SPECIAL EDUCATION PROGRAM ADMIN, AND SUPPORT	2,640,920	2,636,820	(4,100)
TECHNOLOGY	1,015,260	1,023,430	8,170
ATHLETICS	306,450	302,650	(3,800)
FACILITIES	2,327,050	2,420,700	93,650
TRANSFERS TO CAPITAL AND OTHER FUNDS	1,170,000	863,000	(307,000)
DEBT SERVICE	4,495,802	4,321,620	(174,182)
TOTAL SPENDING BUDGET	76,758,000	79,470,000	2,712,000
% Change Budget to Budget	4.32%	3.53%	

Financial Look Superintendent's Recommended 2014/15 Budget

	2013-14	2014-15
TOTAL SPENDING BUDGET	<u>76,758,000</u>	<u>79,470,000</u>
<i>Change in \$</i>		2,712,000
% Change Budget to Budget	-	3.53%
PROPOSED BUDGET	76,758,000	79,470,000
TOTAL NON-TAX REVENUE	5,598,400	5,638,400
USE OF FUND BALANCE	2,300,000	-
PROPERTY TAXES/STAR	68,859,600	69,989,093
TOTAL REVENUE BUDGET	76,758,000	75,627,493
TAX LEVY CHANGE		1.64%
<i>Proposed Override</i>		
<i>Override Levy</i>		
REMAINING FUND BALANCE	\$11,224,467	\$11,224,467
SHORT FALL		\$3,842,507

Options for Shortfall \$3,842,507

1) Tax Cap Compliant

- Tax Cap permits increase from 2013/14 of \$1.13M (1.64%)
- Plus use of Reserves or Reserves & Utility Tax of \$3.84M

2) 100% Tax Revenue (Override Required)

- Tax Cap permits increase from 2013/14 of \$1.13M (1.64%)
- Plus override for additional \$3.84M (5.58%)
 - Total Tax Levy Increase of \$4.97M (7.22%)

3) Tax Revenue w/Override & Use of Reserves

- Tax Cap permits increase from 2013/14 of \$1.13M (1.64%)
- Plus override for additional \$1.54M (2.24%)
 - Total Tax Levy Increase of \$2.67M (3.88%)
- Plus use of Reserves Consistent with current 2013/14 of \$2.3M

4) Use of Reserves & Budget Cuts

- Tax Cap permits increase from 2013/14 of \$1.13M (1.64%)
- Plus use of Reserves , TBD
- Budget Cuts up to \$ 1.7M **(NOT RECOMMENDED) ...**

Potential Cuts – NOT RECOMMENDED

- **District Programs:**
 - Class Size
 - FLES
 - Related Arts/Electives: Art, Music, Technology
 - Library at the elementary schools
- **Comprehensive Support Staff Cuts**
 - Clerical
 - Custodial
 - Aides
- **Athletics**
- **Clubs**
- **Funding for Technology & Facilities**
- **Community Programs:**
 - Rye Youth Council
 - Rye Nature Center
 - Rye Historical Society

Elements Tax Levy & Rate

- The Estimated Tax Levy (amount raised by taxes to support recommended budget) could range from :
 - \$69,989,093 TAX CAP COMPLIANT (Option 1)
 - \$73,831,600 100% TAX REVENUE (Option2)
- Allowable Tax Levy Cap for RCSD = 1.64%.
- Actual Taxable Assessments were \$124,182,461 for 7/1/13. The resulting actual tax rate per thousand of assessment was \$554.6367.
- The estimated Taxable Assessments for 7/1/14 are currently **\$ 124,835,270** (will be updated).
- More specific levy and rate information will be available as the budgeting process continues...

Looking Ahead...

**March 11:
Continued
Discussions**



**March 25:
Open
Topics
Forum/
Budget
Hearing I**



**April 22:
Budget
Adoption**



**May 6:
Budget
Hearing II**



**May 20:
Budget
Vote/Board
Election**