

# Superintendent's Recommended Budget for 2014/15



Presented to the Board of Education  
March 11, 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.

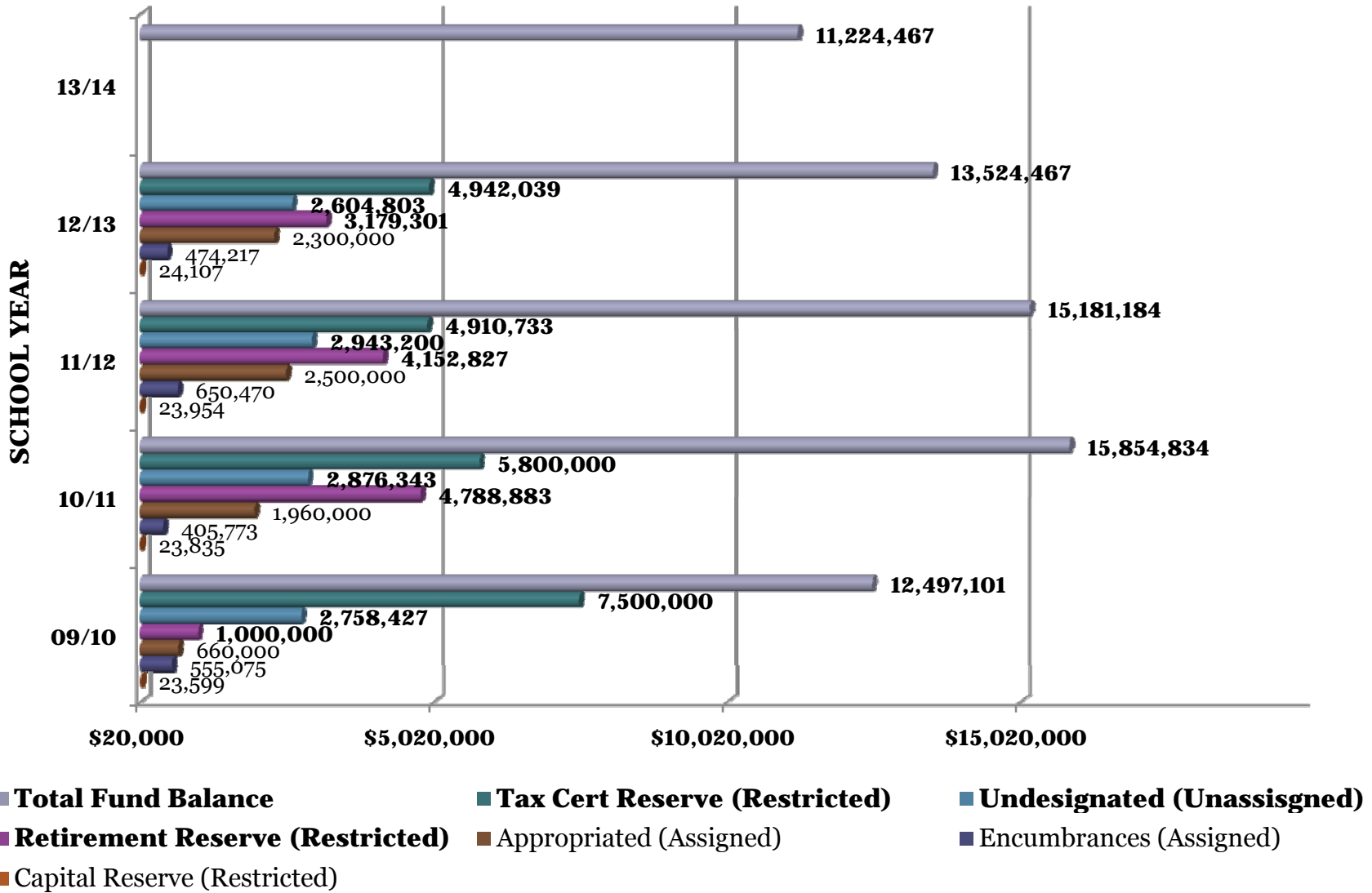
# RCSD 2014/15 Tax Cap Calculation

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

# 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%**.
- **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

# FUND BALANCE



# 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**

# 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
<b>TOTAL</b>	<b>3,315</b>	<b>3,377</b>	<b>+62</b>	<b>+1.87%</b>

- 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.
- Since 2004, district enrollment has increased 520 or 20%.
- Increase enrollment under current Tax Cap legislation does not allow for exemption.

## 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 \$775,000
- 4 High School teachers- \$360,000
- Writing Mentor program for ALL 9 &10 graders - \$72,000
- Security guard- \$62,000
- Custodian due to increase in building square footage of 27,000- \$80,000



# Changes in Expenses for 2014/15

COST CENTER	2013/14 APPROVED BUDGET	2014/15 RECOMMENDED BUDGET	CHANGE
<b>SALARIES</b>	40,349,840	<b>42,698,866</b>	2,349,026
Instructional	33,663,760	35,801,312	2,137,552
Non-Instructional	6,686,080	6,897,554	211,474
<b>BENEFITS</b>	19,363,000	<b>20,290,150</b>	927,150
TRS- MANDATED Teachers Retirement	5,296,200	5,820,000	523,800
ERS- MANDATED Employees Retirement	1,185,800	1,210,000	24,200
ACTIVE/RETIREE HEALTH INSURANCE	8,836,243	9,237,000	400,758
OTHER - BENEFITS	4,044,758	4,023,150	(21,608)
<b>REGULAR SCHOOL</b>	2,032,880	<b>2,154,392</b>	121,512
<b>SPECIAL EDUCATION</b>	2,640,920	<b>2,636,820</b>	( 4,100)
<b>PROGRAM ADMIN, AND SUPPORT</b>	3,056,798	<b>2,758,372</b>	(298,426)
<b>TECHNOLOGY</b>	1,015,260	<b>1,023,430</b>	8,170
<b>ATHLETICS</b>	306,450	<b>302,650</b>	(3,800)
<b>FACILITIES</b>	2,327,050	<b>2,420,700</b>	93,650
<b>TRANSFERS TO CAPITAL AND OTHER FUNDS</b>	1,170,000	<b>863,000</b>	(307,000)
<b>DEBT SERVICE</b>	4,495,802	<b>4,321,620</b>	(174,182)
<b>TOTAL SPENDING BUDGET</b>	76,758,000	<b>79,470,000</b>	2,712,000
<b>% Change Budget to Budget</b>	4.32%	<b>3.53%</b>	

## Financial Look Superintendent's Recommended 2014/15 Budget

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

# Options for Shortfall \$3,842,507

## 1) Tax Cap Compliant

- Tax Cap permits increase from 2013/14 of \$1.13M (1.64%)
- Plus utility tax: \$990,700
- Plus use of Reserves: \$2.5M - \$2.8M
- Budget Refinement: TBD

## 2) Override

- 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

# Utility Tax

- ***What qualifies as a utility subject to the tax?***

The Utility tax is applicable to the receipts from every sale, other than sales for resale, of the following: (A) gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of whatever nature; (B) telephony and telegraphy and telephone and telegraph service of whatever nature except interstate and international telephony and telegraphy and telephone and telegraph service and except any telecommunications service that is prepaid; and (C) a telephone answering service. *For example, the utility tax will be collected for the use of cell phones, except for cell phones with pre-paid plans.*

- ***How is the tax collected?***

Every person required to collect state sales and use taxes must at the same time collect any applicable local sales or use tax imposed by a county, city, or school district. Accordingly, sales and use taxes imposed by the school district is collected by the State Tax Commission in the same manner as the state sales tax is collected. Thus, pursuant to New York law, the tax appears on the utilities bill (ie the Verizon wireless bill), is collected by the utility (ie Verizon Wireless), and the monies are remitted to the District by the utility.

# Utility Tax

- ***How much can be collected?***
  - The Board, by resolution, can impose a utility tax.
  - Based on what the City of Rye currently collects, RCSD's estimated Annual Utility Tax Revenue : \$1,200,000.
  - **Estimated Prorated Revenue in 2014/15: \$990,700**

## Option 1 – Tax Cap Compliant Superintendent’s Recommended 2014/15 Budget

	2013-14	2014-15
<b>TOTAL SPENDING BUDGET</b>	<u>76,758,000</u>	<u>79,470,000</u>
<i>Change in \$</i>		2,712,000
<b>% Change Budget to Budget</b>	-	<b>3.53%</b>
<b>PROPOSED BUDGET</b>	76,758,000	<b>79,470,000</b>
<b>TOTAL NON-TAX REVENUE</b>	5,598,400	5,638,400
<b>UTILITY TAX</b>		<b>990,700</b>
<b>USE OF FUND BALANCE</b>	<b>2,300,000</b>	<b>2,851,807</b>
<b>PROPERTY TAXES/STAR</b>	68,859,600	<b>69,989,093</b>
<b>TOTAL REVENUE BUDGET</b>	76,758,000	<b>79,470,000</b>
<b>TAX LEVY CHANGE</b>		<b>1.64%</b>
<i>Proposed Override</i>		
<i>Override Levy</i>		
<b>REMAINING FUND BALANCE</b>	\$11,224,467	<b>\$8,372,660</b>

## Option 2 – Override Superintendent’s Recommended 2014/15 Budget

	2013-14	2014-15
<b>TOTAL SPENDING BUDGET</b>	<u>76,758,000</u>	<u>79,470,000</u>
<i>Change in \$</i>		2,712,000
<b>% Change Budget to Budget</b>	-	<b>3.53%</b>
<b>PROPOSED BUDGET</b>	76,758,000	<b>79,470,000</b>
<b>TOTAL NON-TAX REVENUE</b>	5,598,400	5,638,400
<b>USE OF FUND BALANCE</b>	<b>2,300,000</b>	<b>2,300,000</b>
<b>PROPERTY TAXES/STAR</b>	68,859,600	<b>71,531,600</b>
<b>TOTAL REVENUE BUDGET</b>	76,758,000	<b>79,470,000</b>
<b>TAX LEVY CHANGE</b>		<b>3.88%</b>
<i>Proposed Override</i>		
<i>Override Levy</i>		
<b>REMAINING FUND BALANCE</b>	\$11,224,467	<b>\$8,924,467</b>

## 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)**

**\$71,531,600 OVERRIDE (Option 2)**

- 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 continue to be updated).
- Estimated tax rate per thousand of assessment:

**\$560.6516 TAX CAP COMPLIANT (Option 1)**

**\$573.0079 OVERRIDE (Option 2)**



## DISTRICT PER PUPIL COST AS OF 2012-13

DISTRICT	COST PER STUDENT
Pocantico	\$ 43,643 (OVERALL HIGHEST)
Bronxville	\$ 30,500
Byram Hills	\$ 27,971
Scarsdale	\$ 27,856
Harrison	\$ 27,555
Edgemont	\$ 25,613
Blind Brook	\$ 25,520
White Plains	\$ 25,435
Mamaroneck	\$ 24,398
Rye Neck	\$ 21,959
<b>RYE CITY</b>	<b>\$ 21,953</b>
Pelham	\$ 21,707
New Rochelle	\$ 19,755
Port Chester-Rye	\$ 17,916
Yonkers	\$ 17,882 (OVERALL LOWEST)

# Looking Ahead...

