



## Memorandum

**To:** Dr. Kevin McGowan

**From:** Lou Alaimo

**Date:** July 10, 2018

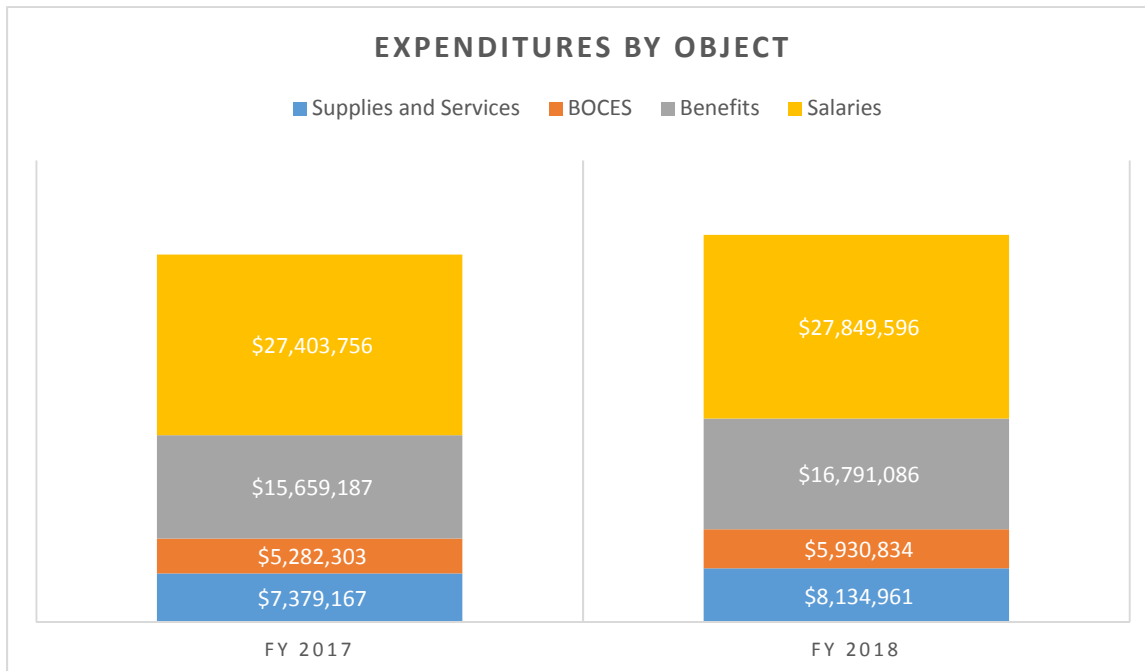
**Re:** Executive Summary: Budget Status Report

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The purpose of this memo is to provide an executive summary of the Budget Status Report for the period ending May 31, 2018.

### Year-to-Date Expenditures

As of April 30, 2018, YTD expenditures totaled \$58,706,477. Compared to the prior year-to-date expenditures at May 31, 2017, spending is higher by \$2,982,064, or 5.4%. The chart below provides a comparison of the major cost drivers:



Salaries and Wages: YTD payroll expense is \$445,840, or 1.6% greater than prior year:

Salaries	2018 YTD	2017 YTD	Change	% Change
Admin	\$ 2,143,790	\$ 2,081,783	\$ 62,007	3.0%
Teaching/Supervision	19,741,895	19,408,510	333,385	1.7%
Non-Certificated	5,963,911	5,913,463	50,448	0.9%
	<u>\$ 27,849,596</u>	<u>\$ 27,403,756</u>	<u>\$ 445,840</u>	<u>1.6%</u>

Admin expense reflects contractual increases and staffing change resulting from interim assignments. Teaching and non-certificated salaries reflect contractual increases, less attrition from retirements and certain vacancies.

Employee Benefits: YTD Benefits expense has increased \$1,131,899, or 7.2% compared to FY 2017. Healthcare costs are trending higher than prior year due to increased participation and premium increases.

We would expect retirement costs to be less than prior year due to the decrease in employer contribution rates and payroll taxes are consistent with increase in wages. Other benefits increased due to a significant increase in workers' compensation insurance.

Employee Benefits	2018 YTD	2017 YTD	Change	% Change
Health Insurances	\$ 11,370,521	\$ 10,045,994	\$ 3,438,091	34.2%
Retirement	2,839,300	3,173,963	(308,325)	-9.7%
Payroll Taxes	2,097,286	2,075,024	19,241	0.9%
Other Benefits	483,979	364,206	132,162	36.3%
	<u>\$ 16,791,086</u>	<u>\$ 15,659,187</u>	<u>\$ 3,281,169</u>	<u>21.0%</u>

BOCES: Attached is a breakdown of the primary BOCES functions subscribed to by the District. The notable differences reflect increase in technology support spending due to the expansion of 1:1 programs; decrease in special education tuitions due to more students attending in-house district programs; and, increase in specialized transportation.

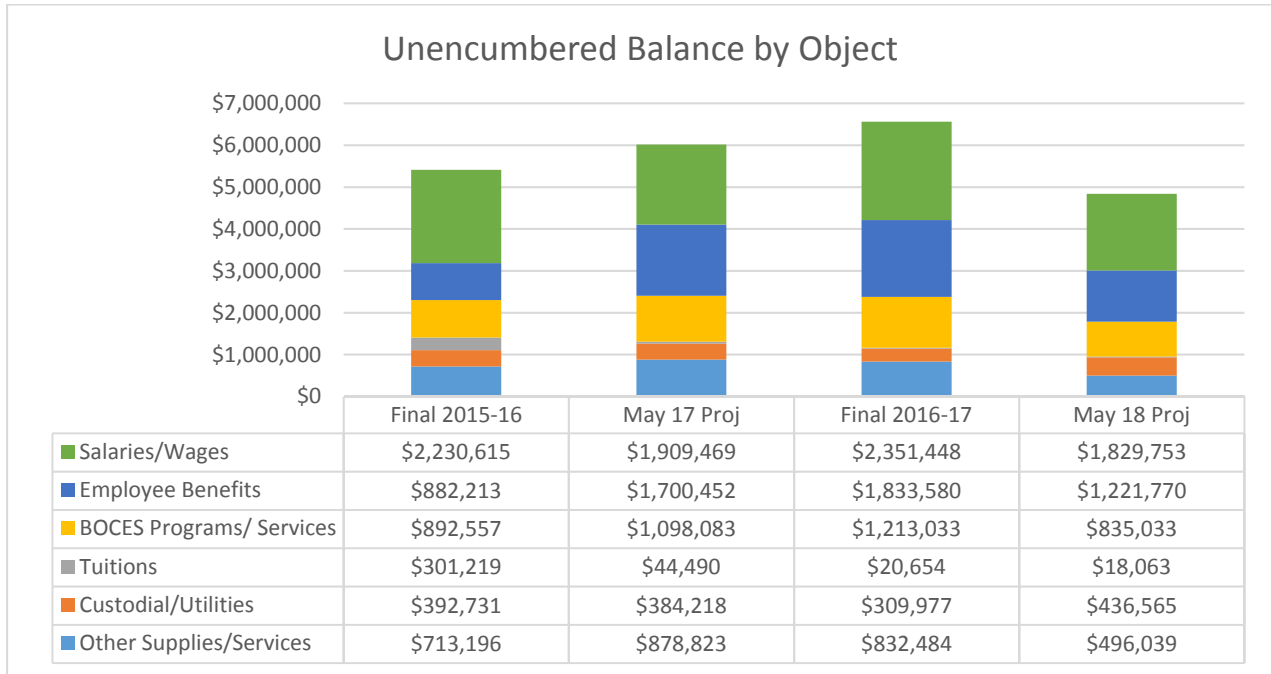
BOCES	2018 YTD	2017 YTD	Change	% Change
Admin Fees	\$ 642,132	\$ 562,335	\$ 79,797	14.2%
Business/Technology Services	518,220	566,298	(48,078)	-8.5%
General Ed/Professional Dev.	555,387	519,283	36,104	7.0%
Special Education	2,491,241	2,347,096	144,145	6.1%
Occ Education	381,300	305,676	75,624	24.7%
Instructional Technology	783,820	607,074	176,746	29.1%
Transportation	558,734	374,541	184,193	49.2%
	\$ 5,930,834	\$ 5,282,303	\$ 648,531	12.3%

**Supplies and Services:** YTD expenses on supplies and services have increased \$755,794. Below is a comparison of significant cost drivers:

Supplies, Services, Transfers	2018 YTD	2017 YTD	Change	% Change
Legal Fees	\$ 68,472	\$ 87,460	\$ (18,988)	-21.7%
Utilities/Custodial	848,960	815,366	33,594	4.1%
Maintenance Projects	365,336	344,084	21,252	6.2%
Printing/Mailing	139,039	127,968	11,071	8.7%
Insurances	205,205	207,172	(1,967)	-0.9%
Assessments and Dues	59,753	40,702	19,051	46.8%
School Supplies and Materials	689,954	646,866	43,088	6.7%
Charter School Tuitions	141,143	183,749	(42,606)	-23.2%
Spec Ed. Contracts/Tuitions	1,339,845	1,165,929	173,916	14.9%
Contract Transportation	2,241,459	2,173,274	68,185	3.1%
Debt Service/Transfers	561,694	558,844	2,850	0.5%
All Other Supplies and Services	1,474,101	1,027,753	446,348	43.4%
	\$ 8,134,961	\$ 7,379,167	\$ 755,794	10.2%

All other supplies and services increased due to the purchase of 21<sup>st</sup> Century classroom furniture at approximately \$150,000 and an increase in health services paid to other district which accounts for \$130,000 increase.

Unencumbered Balances - The unencumbered balance as of April 30, 2018 is estimated at \$4,837,223. Below is a comparison to the last two complete years and prior year-to-date estimate:



Based on the historical trends and the current projected fund balance, we are not recommending any changes to the fund balance plan approved by the Board of Education in June 2018.