



## Memorandum

**To:** Dr. Kevin McGowan

**From:** Lou Alaimo

**Date:** March 5, 2020

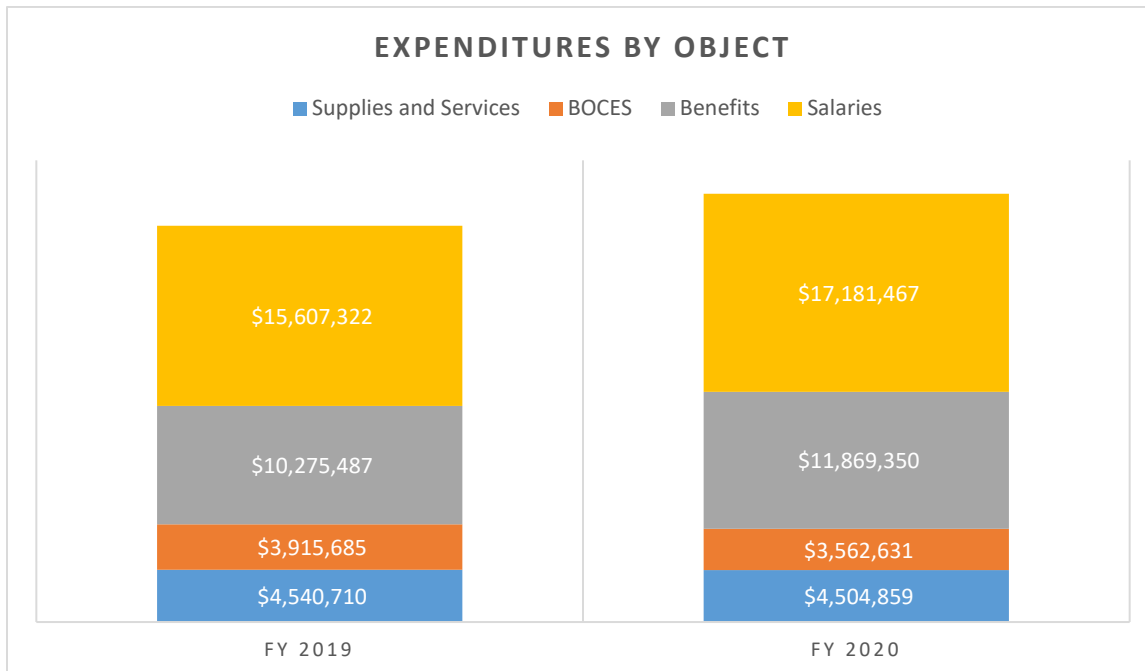
**Re:** Executive Summary: Budget Status Report

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The purpose of this memo is to provide an executive summary of the Budget Status Report for the period ending January 31, 2020.

### Year-to-Date Expenditures

As of December 31, 2019, YTD expenditures totaled \$37,118,307. Compared to the prior year-to-date expenditures at January 31, 2019, spending is \$2,779,103, or 8.1% greater. The chart below provides a comparison of the major cost drivers:



Salaries and Wages: YTD payroll expense is \$1,574,145 or 10.1% greater than prior year:

| Salaries             | 2019 YTD             | 2020 YTD             | Change              | % Change     |
|----------------------|----------------------|----------------------|---------------------|--------------|
| Admin                | \$ 1,372,513         | \$ 1,489,329         | \$ 116,816          | 8.5%         |
| Teaching/Supervision | 10,687,312           | 12,454,929           | 1,767,617           | 16.5%        |
| Non-Certificated     | 3,547,497            | 3,237,209            | (310,288)           | -8.7%        |
|                      | <u>\$ 15,607,322</u> | <u>\$ 17,181,467</u> | <u>\$ 1,574,145</u> | <u>10.1%</u> |

Through January 31, 2020, fiscal year 2019-2020 provided for one additional pay period compared to prior year. This disparity will carry through March 2020 when pay periods will be comparable again. Over the last couple of months, salary trends have been reflecting a 1.6% increase over prior year.

Employee Benefits: YTD benefits expense is \$1,593,863, or 15.5% greater than prior year. This is primarily due to the timing of the payment of health insurance premiums, in addition to rate increases averaging 8.5%. Pension contributions and payroll taxes will be skewed through March 2020 due to the difference in the number of payrolls processed.

| Employee Benefits | 2019 YTD             | 2020 YTD             | Change              | % Change     |
|-------------------|----------------------|----------------------|---------------------|--------------|
| Health Insurances | \$ 7,003,368         | \$ 8,551,022         | \$ 1,547,654        | 22.1%        |
| Retirement        | 1,693,372            | 1,685,568            | (7,804)             | -0.5%        |
| Payroll Taxes     | 1,183,370            | 1,305,380            | 122,010             | 10.3%        |
| Other Benefits    | 395,377              | 327,380              | (67,997)            | -17.2%       |
|                   | <u>\$ 10,275,487</u> | <u>\$ 11,869,350</u> | <u>\$ 1,593,863</u> | <u>15.5%</u> |

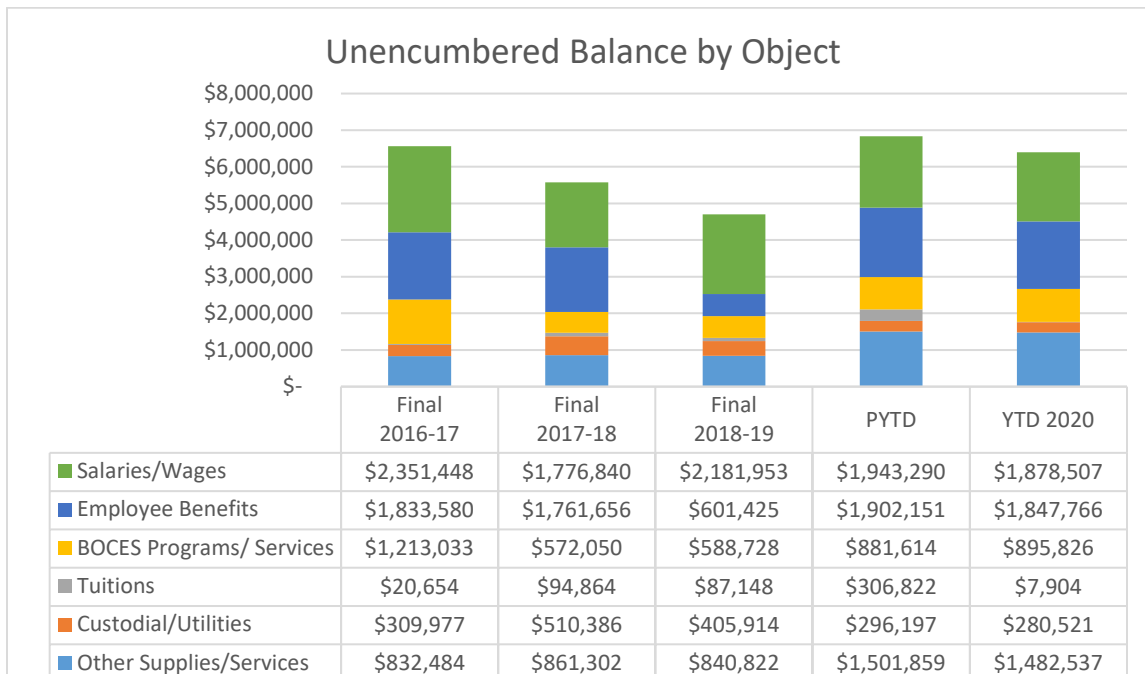
BOCES: Below is a breakdown of the primary BOCES functions subscribed to by the District. In future months, invoice payments will be better aligned for more meaningful comparisons. In particular, special education and transportation charges are delayed compared to prior year.

| BOCES                        | 2019 YTD           | 2020 YTD            | Change              | % Change     |
|------------------------------|--------------------|---------------------|---------------------|--------------|
| Admin Fees                   | \$ 373,230         | \$ 322,567          | \$ (50,663)         | -13.6%       |
| Business/Technology Services | 515,270            | 547,449             | 32,179              | 6.2%         |
| General Ed/Professional Dev. | 397,481            | 348,812             | (48,669)            | -12.2%       |
| Special Education            | 1,497,934          | 1,394,314           | (103,620)           | -6.9%        |
| Occ Education                | 206,584            | 221,093             | 14,509              | 7.0%         |
| Instructional Technology     | 633,756            | 591,477             | (42,279)            | -6.7%        |
| Transportation               | 291,430            | 136,919             | (154,511)           | -53.0%       |
|                              | <u>\$3,915,685</u> | <u>\$ 3,562,631</u> | <u>\$ (353,054)</u> | <u>-9.0%</u> |

**Supplies and Services:** YTD expenses on supplies and services are \$35,851 less than prior year. Below is a comparison of significant cost drivers:

| Supplies, Services, Transfers   | 2019 YTD           | 2020 YTD            | Change             |
|---------------------------------|--------------------|---------------------|--------------------|
| Legal Fees                      | \$ 40,424          | \$ 141,053          | \$ 100,629         |
| Utilities/Custodial             | 488,074            | 438,003             | (50,071)           |
| Maintenance Projects            | 358,353            | 211,543             | (146,810)          |
| Printing/Mailing                | 86,032             | 68,207              | (17,825)           |
| Insurances                      | 210,598            | 219,893             | 9,295              |
| Assessments and Dues            | 38,398             | 61,166              | 22,768             |
| School Supplies and Materials   | 484,318            | 389,064             | (95,254)           |
| Charter School Tuitions         | 111,274            | 125,784             | 14,510             |
| Spec Ed. Contracts/Tuitions     | 590,783            | 683,503             | 92,720             |
| Contract Transportation         | 1,247,222          | 1,442,246           | 195,024            |
| Debt Service/Transfers          | 101,713            | 83,225              | (18,488)           |
| All Other Supplies and Services | 783,521            | 641,172             | (142,349)          |
|                                 | <b>\$4,540,710</b> | <b>\$ 4,504,859</b> | <b>\$ (35,851)</b> |

**Unencumbered Balances:** The unencumbered balance as of January 31, 2020 is estimated at \$6,393,061. Below is a comparison to prior year projected-to-actual:



Budget Monitoring Notes:

The District is closely monitoring trends in the high risk categories including:

- 1) Judgements, claims, and legal fees. The negative balance in legal fees will be cleared in subsequent months.
- 2) Contract transportation due to additional unbudgeted out-of-district runs and increased demand for monitors.
- 3) Health insurance premiums due to rates increasing higher than budgeted.
- 4) Staffing demands in response to mandated services and long-term absences.
- 5) Tuitions for out-of-district placements.
- 6) Parentally placed charges from other districts.

Despite these budget challenges, the District expects to be able to replenish appropriated fund balance and reserves relied on as a financing source in the 2019-20 budget.