

BRIGHTON CENTRAL SCHOOL DISTRICT

Preliminary Budget Discussion

2014-15

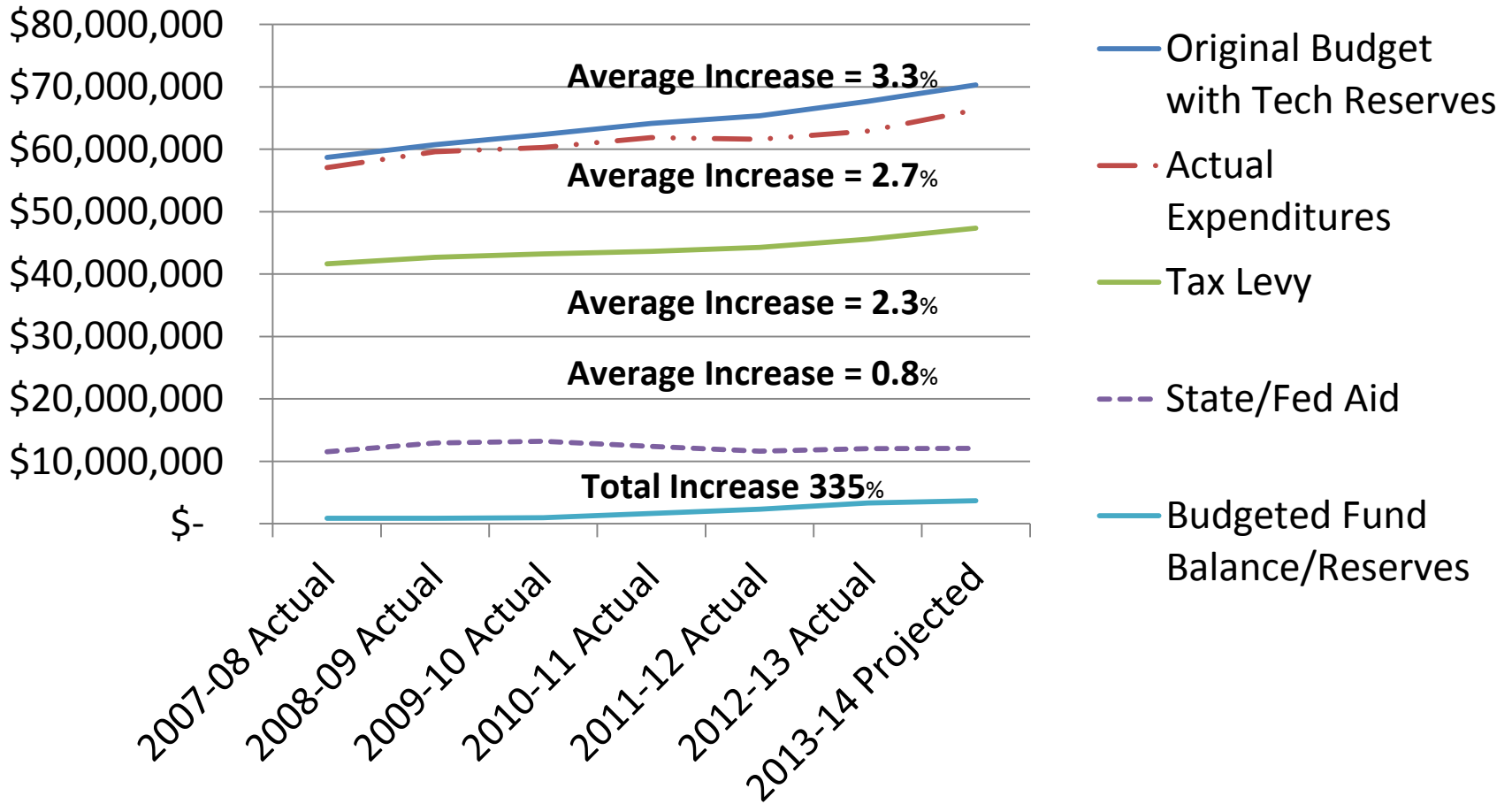


Presented to the
Board of Education
January 28, 2014

2014-15 Preliminary Budget Preview



Financial Trends



2014-15 Preliminary Budget (Object Summary)

Object Groupings	2014-15 Preliminary	2013-14 Budget	Estimated Change	% Change
Salaries	\$ 33,631,463	\$ 32,136,851	\$ 1,494,612	4.7%
Benefits	19,463,964	18,380,273	1,083,691	5.9%
BOCES Programs and Support	7,163,053	6,977,808	185,245	2.7%
General Support Costs	2,537,708	2,468,975	68,733	2.8%
Instructional Materials and Services	3,896,413	3,725,238	171,175	4.6%
Transportation Services	2,572,842	2,464,881	107,961	4.4%
Debt and Transfers	1,458,506	2,333,850	(875,344)	-37.5%
	\$ 70,723,949	\$ 68,487,876	\$ 2,236,073	3.3%

Object Groupings	2014-15 Preliminary	% of Total
Salaries	\$ 33,631,463	48%
Benefits	19,463,964	28%
Salaries and Benefits	\$ 53,095,427	76%
BOCES Programs and Support	7,163,053	10%
General Support Costs	2,537,708	4%
Instructional Materials and Services	3,896,413	6%
Transportation Services	2,572,842	4%
Debt and Capital	1,458,506	2%
	\$ 70,723,949	

2013-14 Preliminary Budget (Functional Summary)

	2014-15 Preliminary Budget	2013-14 Adopted Budget	\$ Diff	% Diff
Total General Support	\$6,899,526	\$6,739,520	\$160,006	2.4%
Administration	2,535,328	2,443,632	91,696	3.8%
General Education	19,092,487	18,348,063	744,424	4.1%
Brighton High	160,114	140,356	19,758	14.1%
Twelve Corners Middle	135,880	138,294	(2,414)	-1.7%
French Road Elementary	124,672	91,992	32,680	35.5%
Council Rock Primary	76,884	71,473	5,411	7.6%
Special Education	10,880,825	10,284,903	595,922	5.8%
Occupational Education	556,267	604,425	(48,158)	-8.0%
Library/Tech/Pupil Services	4,865,490	4,802,154	63,336	1.3%
Extraclassroom / Sports	1,000,337	850,014	150,323	17.7%
Total Instruction	\$39,428,284	\$37,775,306	\$1,652,978	4.4%
Pupil Transportation	\$3,401,070	\$3,238,619	\$162,451	5.0%
Employee Benefits	19,536,563	18,400,581	1,135,982	6.2%
Debt Service/Transfers	1,458,506	2,333,850	(875,344)	-37.5%
Total Budget	\$70,723,949	\$68,487,876	\$2,236,073	3.3%

Factors Impacting Salaries

Preliminary Increase of \$1,495,000, or 4.74%

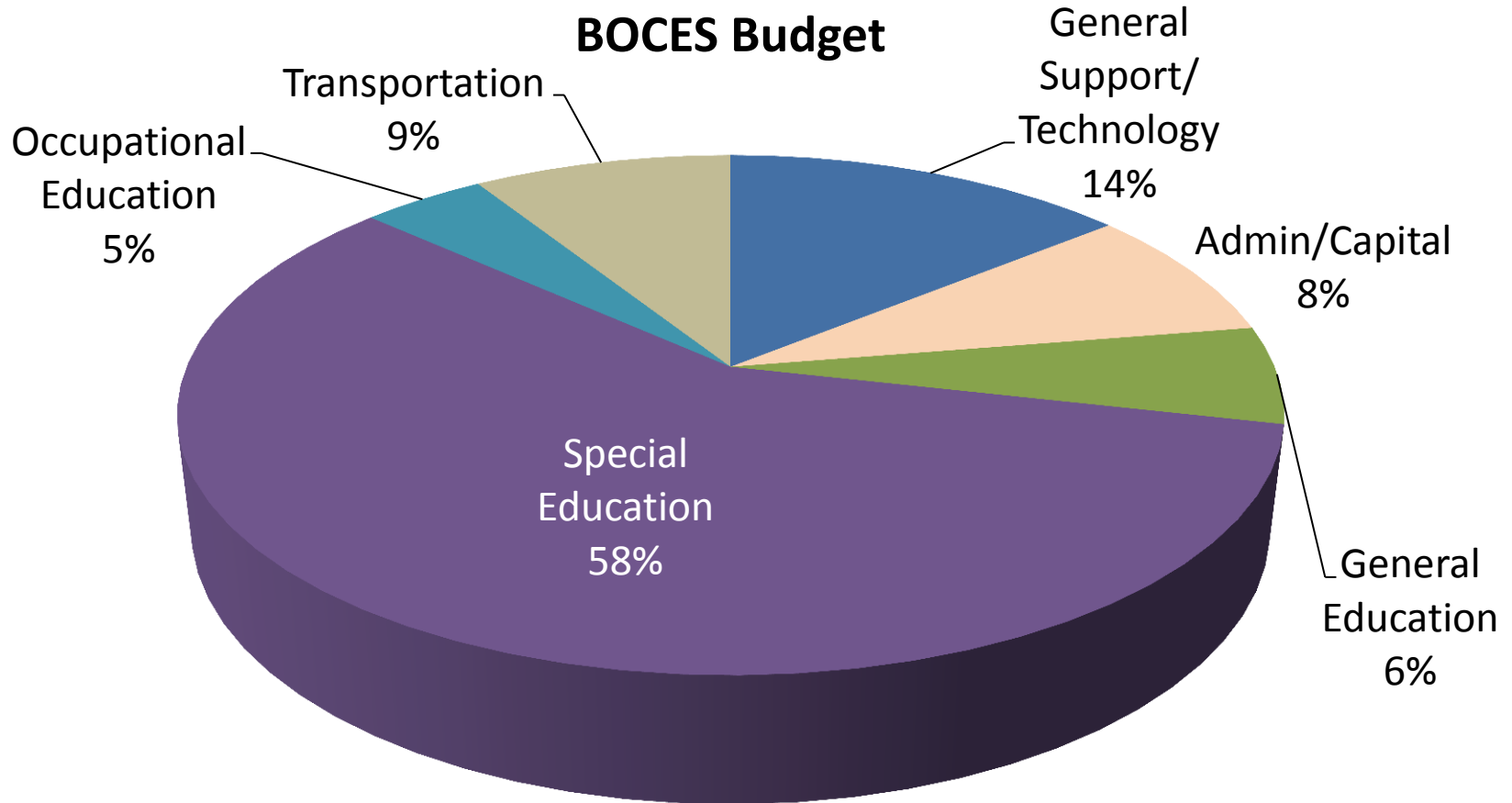
- Class size adjustments at FRES and CRPS
 - 4.3 FTE ~ \$225,000
- New initiatives proposed:
 - 4.3 FTE ~ \$240,000
- Adding security staff to elementary level
 - 2.0 FTE ~ \$30,000
- Current year and contractual adjustments
~ \$1,000,000

Factors Impacting Benefits

Preliminary Increase of \$1,084,000, or 5.9%:

- TRS – Assumes rate of 17.75% (1.5% increase in rate) = \$382,000 impact before contractual adjustments (9.2% increase in expense)
- Health Insurance – Assumes 20% increase over 2012-13 Actual (10% per year growth) = \$515,000 impact
- Payroll Taxes – Assumed 4.7% growth in wages = \$110,000
- Other Contractual Benefits - \$77,000

BOCES Costs by Function



Preliminary BOCES Budget = \$7.16 million or 10% of Total Budget

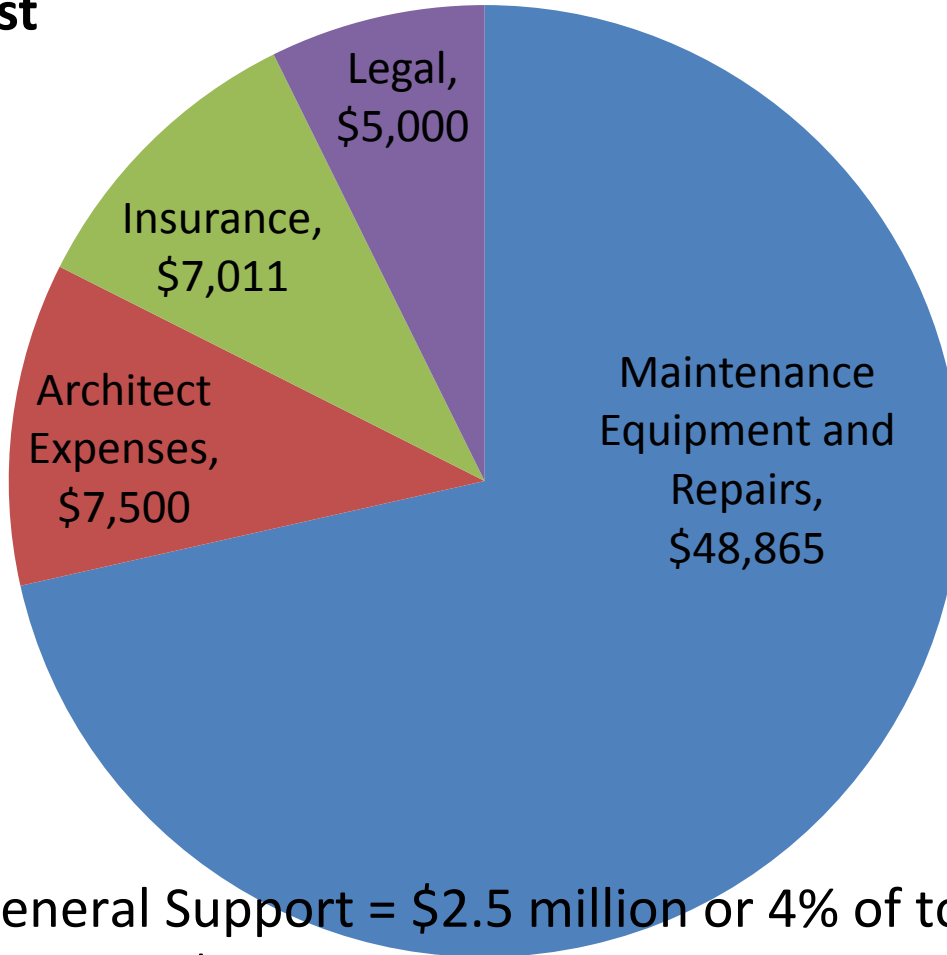
Factors Impacting BOCES

Preliminary Increase of \$185,000, or 2.7%

- Special Education costs estimated to increase \$140,000, or 3.5% due to tuition increases and changing student needs.
- Transportation costs estimated to increase \$36,000, or 5.8% due to growing ESY program and mandated shuttle services
- Technology Support costs estimated to increase \$43,000, or 30% due to pricing increases and funding shift from the Technology Reserve.

General Support Factors

Estimated Cost Increases



Preliminary General Support = \$2.5 million or 4% of total Budget
Estimated increase = \$68,000, or 2.8%

Factors Impacting Instructional Supplies and Services

Preliminary increase of \$171,000, or 4.6%

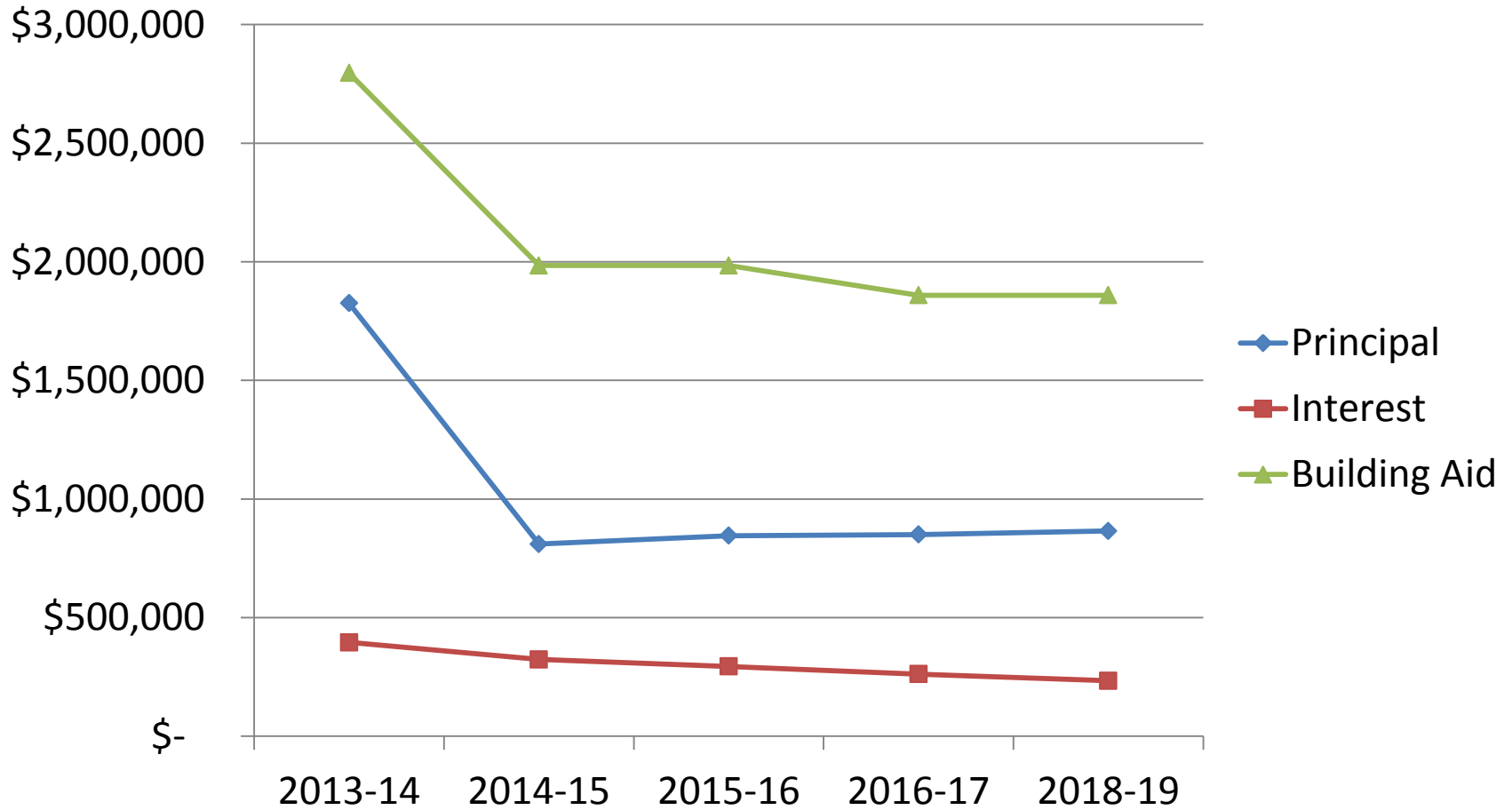
- Equipment requisitions total \$475,000
 - Increase of \$166,000 includes:
 - Upgrades to Morning Show studio \$77,000
 - Renovation to weight room = \$80,000
- Increase to charter school tuitions
 - 2013-14 Budget = \$169,000
 - 2014-15 Projection = \$212,616
 - Adjustment Necessary for 2014-15 = \$43,616

Factors Impacting Transportation

Preliminary increase of \$108,000, or 4.4%

- Preliminary budget expands fleet of 37 to 38 buses due to increased enrollment at FRES
 - \$60,000 impact
- Contract with First Student tied to Consumer Price Index – trending between 1.5% and 2%
- Operating risk exists for:
 - mandated special transportation services
 - expansion of out-of-district private and parochial placements
 - increased enrollment at elementary level

Factors Impacting Capital



Executive Budget

	2013-14 Budget	2013-14 Projections	Budget-to- Actual	2014-15 Executive Budget	Budget Impact
Foundation Aid	\$6,082,043	\$6,012,168	-\$69,875	\$6,082,043	\$0
Gap Elimination	(2,171,351)	(2,171,351)	-	(1,936,968)	\$234,383
GEA Restoration	234,383	234,383	-	61,239	-\$173,144
Urban Suburban Aid	300,000	548,990	248,990	500,000	\$200,000
Transportation Aid	1,897,224	1,697,690	(199,534)	1,695,654	-\$201,570
Excess Cost Aids	984,128	734,346	(249,782)	843,844	-\$140,284
Instructional Aids	440,359	442,492	2,133	448,746	\$8,387
BOCES Aid	1,607,409	1,399,898	(207,511)	1,572,629	-\$34,780
Total State Aid	\$9,374,195	\$8,898,616	-\$475,579	\$9,267,187	-\$107,008
Building Aid	\$2,795,684	\$2,795,697	\$13	\$1,983,801	-\$811,883
Total State Aid	\$12,169,879	\$11,694,313	-\$475,566	\$11,250,988	-\$918,891

Foundation Aid

Enacted State Budget/School Year	Formula Base	Current Year Aid	Full Phase-in Level	Estimated Full Phase-In Year*
2007-08	\$4,131,852	\$5,164,815	\$9,971,236	2010-11
2008-09	\$4,125,624	\$5,930,584	\$10,301,549	2010-11
2009-10	\$4,125,624	\$5,930,584	\$11,988,793	2013-14
2010-11	\$4,125,624	\$5,930,584	\$11,953,413	2013-14
2011-12	\$5,930,584	\$5,930,584	\$13,702,323	2016-17
2012-13	\$5,930,584	\$6,063,652	\$13,758,124	2016-17
2013-14	\$6,063,852	\$6,082,043	\$13,582,950	2016-17

Full Phase in Level” means the total aid projected in the final year of the formula under current law as of the year of enactment. Currently that is projected to be 2016-17. Actual phase-in is limited by School Growth Aid Cap, so final phase-In is likely to be beyond 2016-17.

Preliminary Revenues

SOURCE	2012-13 Actual	2013-14 Budget	2014-15 Preliminary	\$ Change	% Change
PILOT PAYMENTS	\$454,044	\$390,000	\$432,997	\$42,997	11.0%
SALES TAX	\$3,098,316	\$2,886,620	\$2,907,536	\$20,915	0.7%
TUITION AND CHARGES	\$1,277,090	\$972,100	\$994,458	\$22,358	2.3%
INVESTMENT INCOME	\$79,795	\$75,000	\$75,000	\$0	0.0%
RENTAL	\$297,003	\$230,500	\$234,649	\$4,149	1.8%
OTHER	\$668,709	\$390,000	\$500,000	\$110,000	28.2%
STATE & FEDERAL AID	\$12,217,251	\$12,449,879	\$11,580,988	(\$868,891)	-7.0%
SUB TOTAL	\$18,092,208	\$17,394,099	\$16,725,628	(\$668,471)	-3.8%

Preliminary Budget and Impact on Tax Levy

	2014-15	\$ Change	% Change
A) Total Preliminary Budget Amount	\$70,723,949	\$2,236,073	3.4%
B) Total Revenues Other Than Real Property Taxes (Excluding Tax Levy)	16,725,628	(668,471)	-4.0%
C) Amount of Fund Balance Used for Levy of Tax	3,759,995	-	0.0%
D) Non-Property Tax Revenues (B+C)	\$20,485,623		
E) Total Real Property Tax Levy to be Raised for School Purposes (A-D)	\$50,238,326		
2013-14 Real Property Tax Levy	\$47,333,782		
% Increase in Real Property Tax Levy			6.14%

Fund Balance and Reserve Considerations

- District already using Retirement Reserve to fund 100% of ERS liability.
- Reliance on Appropriated Fund Balance
 - \$2,550,000 = 5.4% of the 2013-14 tax levy
 - Unrestricted \$2,739,514.
- Tightening up margins diminishes ability to replenish reserves.

Impact of Preliminary Budget on Taxes

1% Increase in Property Tax	\$473,000
1% increase in Spending	\$685,000

GAP ANALYSIS

Target Change in Tax Levy	Allowable Change in Spending	Impact on Preliminary Budget:
		Additional Revenue/ (Reductions Required)
0% Change in Tax Levy	-0.98%	(\$2,904,543)
1% Increase in Levy	-0.3%	(\$2,431,205)
2% Increase in Levy	0.4%	(\$1,957,867)
3% Increase in Levy	1.1%	(\$1,484,530)
4% Increase in Levy	1.8%	(\$1,011,192)

Preliminary Tax Levy Limit Requiring Simple Majority

Prior Year Tax Levy		\$47,333,782
Tax Base Growth Factor (1)	X	1.0028
		<hr/>
		\$47,466,317
Add: Prior Year Pilots (2013-14)		\$502,671
Less: Prior Year Exemptions		
Capital Tax Levy		\$0
Court Orders		\$0
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Adjusted Prior Year Levy		\$47,968,988
Allowable Growth Factor (Lesser of CPI or 2%)	X	1.0146
Less: PILOTS Receivable (2014-15)		-\$432,997
Add: Allowable Carryover		\$0
Add: Current Year Capital Tax Levy		-
Add: Pension Exclusion		\$0
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Tax Levy Limit	\$	48,236,338
% Change from Prior Year Tax Levy		1.91%

Next Steps

- Continue to monitor budget-to-actual projections to analyze assumptions used in preliminary budget;
- Collaborate with building principals and department managers to:
 1. Assess opportunities for efficiencies
 2. Evaluate the impact of cost reduction strategies