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WHEATLAND-CHILI CENTRAL SCHOOLS

**2013-2014 Budget Development:
Employee Benefits, Debt Service, Administrative**

January 14, 2013 Board of Education Meeting



District Objectives

- Build a 2013-2014 budget that:
 - Supports Board of Education goals
 - Preserves District assets
 - Is fiscally responsible, reasonable, and balanced
- Build the 2013-2014 budget with future budgets in mind:
 - Assess dependence on appropriated fund balance



Board of Education Goals

- Sustain and manage a small school district recognizing current financial restrictions, new laws and regulations from NYS, declining enrollment and our commitment to academic excellence and opportunity for all students
- Support an environment that focuses on great instruction, high performance and continuous improvement that will attract and retain highly competent staff, through support of the APPR implementation, and induction and professional growth of staff
- Support the Middle States Accreditation, as evidenced by participation in the Candidacy Visit and commencement of Self-Study (if Candidacy is achieved)
- Ensure a positive transition in the business office



District's Strategic Focus

- To provide **academic excellence**, which empowers all individuals to become motivated learners.
- To provide and maintain systems to support **open communications with all stakeholders** (Communication and Parent Involvement).
- To provide a competitive educational program that is sustainable for the community (**Fiscal Accountability**).
- To provide systems necessary for a clean, safe, and healthy environment to support the educational program (**Operations**).



2013-2014 Budget Development Timeline

Date	Presentation
January 14	Employee Benefits, Debt Service, Administrative
January 28	Special Education and BOCES
February 11	Instructional, Interscholastic, Co-curricular
February 25	Facilities and Transportation
March 11	Review Draft Budget
March 25	Review Draft Budget
April 8	Adoption of Proposed Budget
May 13	Budget Hearing and Meet the Candidate Night
May 21	Budget Vote
June 10	Statewide Budget Revote Day
July 1	Implement 2013-2014 Budget

Budget Views

- **Major Budget Categories**
 - Budget View by Object Codes
- **Three-Part Budget**
 - Budget View by Function Codes



Major Budget Categories (Object Codes)

- **Benefits and Salaries**
- **Debt Service**
- **BOCES Services**
- Supplies and Equipment
- Utilities
- Contractual Expenses
- Tuitions



Three-Part Budget (Function Codes)

Budget Type	Components
Administrative	<p>Overall general support and management of the operations of the District:</p> <ul style="list-style-type: none">• Board of Education costs• Central and school administration• Finance (including tax collection, purchasing, legal and auditing expenses)• Curriculum development• BOCES administrative expenses
Program	<p>Largest portion of all planned expenditures for instruction and support services:</p> <ul style="list-style-type: none">• Instructional, co-curricular, and athletic programs• Counseling and health services• Pupil transportation
Capital	<p>Costs associated with maintaining facilities and grounds:</p> <ul style="list-style-type: none">• Building and equipment repairs• Custodial and maintenance supplies• Utilities• Debt service



What do we know?

- **Major Non-Discretionary Expenses**
- Employment contract provisions to meet instructional needs (salaries and benefits)
- Employer retirement costs, social security, unemployment (rates as mandated)
- Debt payments (similar to mortgage payments)
- BOCES administrative costs
- Auditing services (required by law)
- Services for special education students (tuitions and related services)
- Materials and textbooks required for instruction
- Utilities (electricity, heat, telephone, etc.)
- Transportation costs (as required by law)

What do we know about Employee Benefits?

Benefits	Descriptions
Medical Insurance Plans	<p>Rochester Area School Health Plans (RASHP) 1 (Retiree) and 2 (Active Employees)</p> <ul style="list-style-type: none">• Consortium of Monroe County school districts• Majority of active employee plans increased 10% (Value product) for calendar year 2013 (half of budget year)• Retiree actual increase varies depending on plan (10% Value, 13.27% Select, 17.39% Extended) for calendar year 2013 (half of budget year)• Based on current enrollment January 2013• Costs for 2014 will be estimated
Dental Insurance Plan	<p>Rochester Area School Dental Plan</p> <ul style="list-style-type: none">• Consortium of Monroe County school districts• Self-funded
Life Insurance	Group term insurance; cost shared with employee
FICA/Medicare	7.65% of all employee payroll

Employee Benefits (Continued)

Benefits	Descriptions
Retirement (Pension) Plans	<ul style="list-style-type: none"> Teachers Retirement System (TRS) rate <u>projected increase</u> of 39.5% (from 11.84% in 2012-2013 to 16.5% in 2013-2014 [school year]) Employee Retirement System (ERS) rate <u>actual increase</u> of 10.5% (from 18.9% in 2012-2013 to 20.9% in 2013-2014 [July through March; April through June will be estimated])
Workers Compensation	Rochester Area School Workers Compensation Plan <ul style="list-style-type: none"> Consortium of Monroe County school districts Cost based on plan experience
Unemployment	Self-funded
Tuition Reimbursement	Per negotiated contract
Employee Assistance Plan	Self-funded

What do we know about Debt Service?

Type	Dollar Amount
Annual payments on serial bonds issued to fund past capital building projects	
• Bonds Issued 2004	\$248,600
• Bonds issued 2009	\$802,175
Energy Performance Contract	\$108,961
TOTAL FIXED COST 2013-2014	\$1,159,736

What do we know about the Administrative Budget?

Board of Education

- Membership in Monroe County School Boards and New York State School Boards Associations
- BOCES Policy Maintenance (Erie I BOCES)
- Legal Notices, Board Clerk Expenses, Annual Voting Expenses

Central Administration

- Superintendent's Office: salaries and benefits, supplies, professional development

Finance

- Business Office: salaries and benefits, supplies
- Auditing: internal auditor, external auditor, claims auditor
- Fiscal Planning and Advisory Services
- Tax Collection
- Treasury and Purchasing Functions



Administrative Budget (Continued)

Instructional Supervision, Training, and Curriculum

- Supervision (Principals Offices: salaries and benefits, supplies, and professional development)
- Curriculum Development: curriculum leader stipends, supplies, and curriculum writing expenses
- In-Service Training: teacher center in-service expenses

Other Costs

- Legal Expenses, including Labor Relations Service (Monroe #2 BOCES)
- Personnel: recruiting and fingerprinting (Monroe #2 BOCES)
- Public Information: newsletters, calendars, and legal notices
- Central Data Processing: financial management system
- Liability and Property Insurance
- BOCES Administrative Costs

First Run Budget 2013-2014: A Starting Point

- Salaries and Benefits
- BOCES Services
- Debt Service



Budget Breakdown – First Run

Area	% of Total Budget (estimate)	Current Run Total	% Change from 2012-2013
Salaries	45.0%	\$ 7,603,467	2.9%
Benefits	25.9%	\$4,402,690	10.0%
BOCES Services (including administrative costs)	12.1%	\$2,048,492	5.0%
Debt Service/Energy Performance Contract	7.04%	\$1,189,536	-0.001%
Supplies/Equipment	TBD		
Utilities	TBD		
Contractual Expenses	TBD		
Tuitions	TBD		



Budget Challenges for 2013-2014

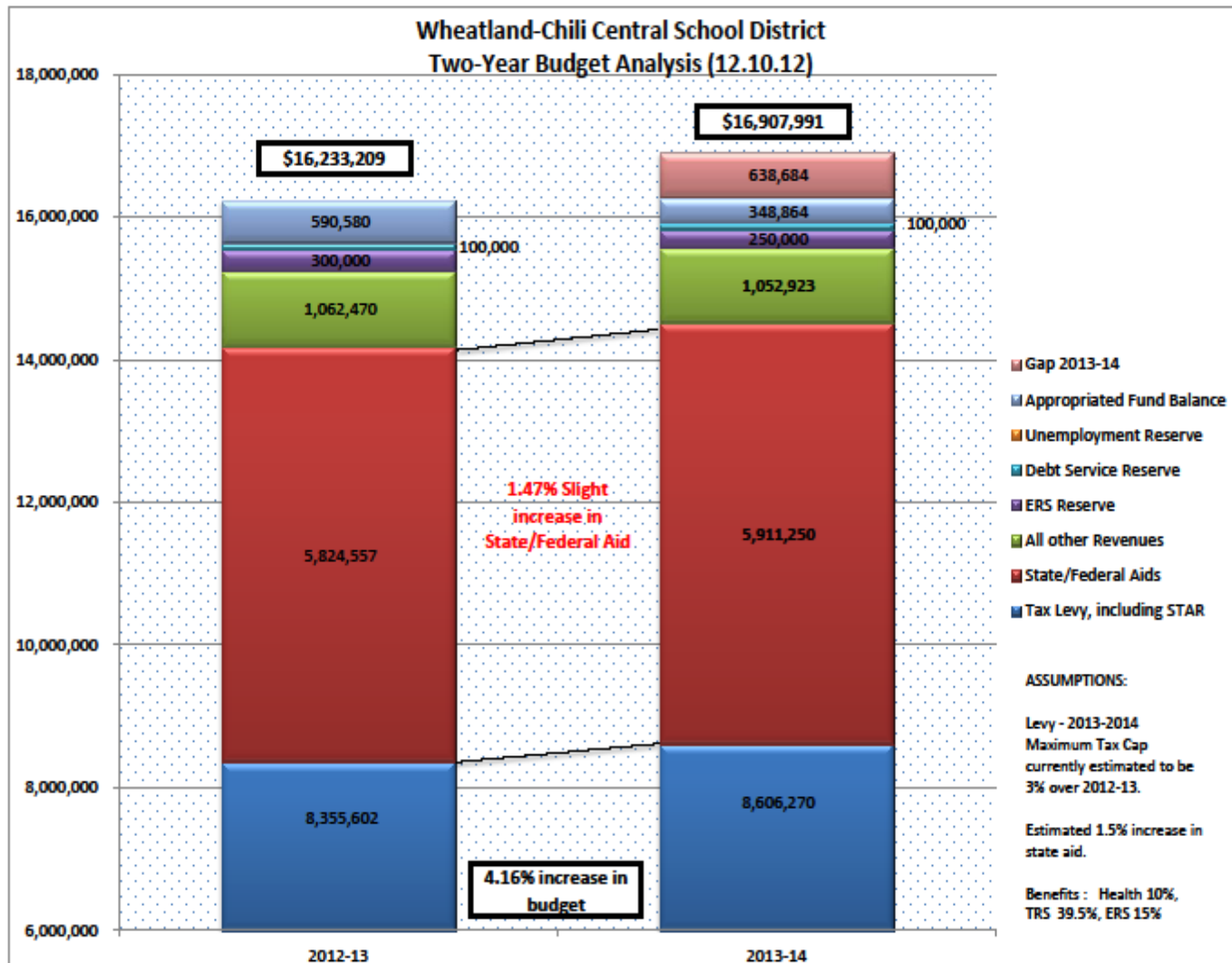
- Anticipating a 1.5% increase in state aid; however, state aid will likely be impacted by the aftermath of Hurricane Sandy
- Increase in expenses based on assumptions results in overall 4.16% budget to budget increase (\$674,782)
 - 2.5% increase in general support, instruction, and pupil transportation
 - 10% increase in benefits
 - 39.5% increase in Teachers Retirement System (TRS)
 - 10.5% increase in Employees Retirement System (ERS)



Budget Challenges for 2013-2014

- To have the **same level of support and service** in 2013-2014 as we have in 2012-2013 would cost us an **additional \$674,782**
- We are limited in our ability to raise additional revenue due to the tax levy limit
- To stay within a tax levy limit of 3%, assuming 1.5% increase in state aid, we must reduce our expenses by \$638,684
 - The amount of this “gap” will change as our tax levy limit is defined and we receive preliminary state aid numbers





2013-2014 Budget Development Process

- Follow the approved timeline
- Continue to explore staff assignments
- Work with leadership to develop draft budget



2013-2014 BUDGET DEVELOPMENT PROCESS

January 28, 2013

- Special Education
- BOCES

