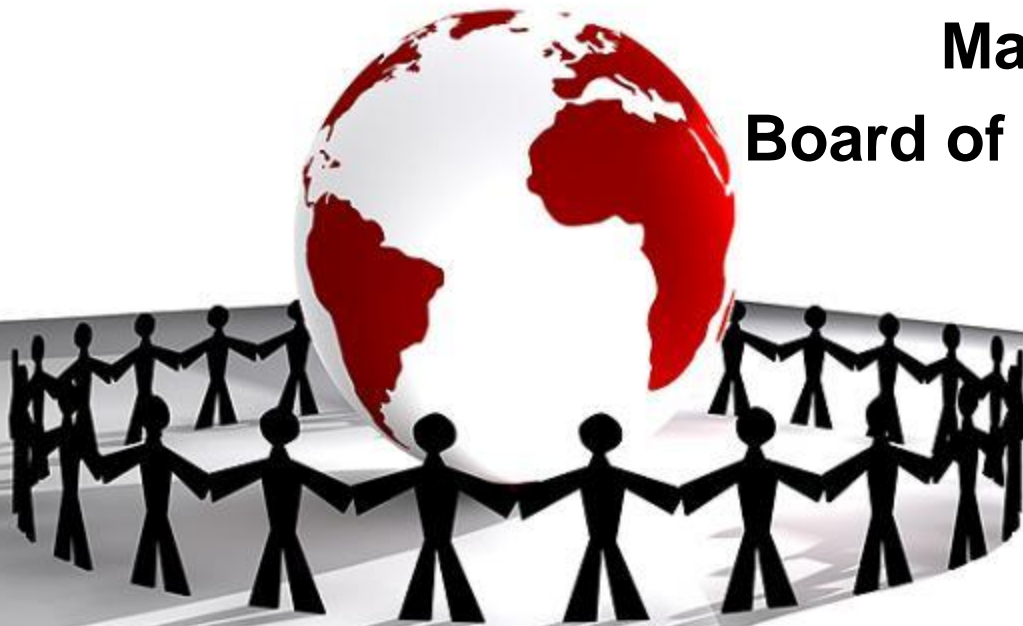


# **Wheatland-Chili Central Schools 2014-2015 Budget Development**

**Draft Budget**

**March 24, 2014**

**Board of Education Meeting**



NOTE: Adjustment  
made to Slide #26  
after original presentation.

# 2014-2015 Budget Development Timeline

Date	Presentation
January 13	Employee Benefits, Debt Service, Administrative
January 27	Special Education and BOCES
February 10	Instructional, Interscholastic, Co-curricular
February 24	Facilities and Transportation
<b>March 10</b>	<b>Review Draft Budget</b>
<b>March 24</b>	<b>Review Draft Budget</b>
<b>April 7</b>	<b>Adoption of Proposed Budget</b>
May 12	Budget Hearing and Meet the Candidate Night
<b>May 20</b>	<b>Budget Vote</b>
June 17	Statewide Budget Revote Day
July 1	Implement 2014-2015 Budget

# BEGIN WITH THE END IN MIND



# District Objectives

- Build a 2014-2015 budget that:
  - Supports Board of Education goals
  - Preserves District assets
  - Is fiscally responsible, reasonable, and balanced
- Build the 2014-2015 budget with future budgets in mind:
  - Assess dependence on appropriated fund balance
  - Thorough analysis of five-year plan for use of reserves

# Board of Education Goals

- High quality **leadership** throughout Wheatland-Chili Central Schools focused on **instructional excellence**.
- Design and delivery of **high quality curriculum** that produces clear evidence of learning.
- **Shared accountability** for student academic and social success, and operational efficiencies, through **high expectations for all staff**.
- Development of **college and career readiness** skills.

# 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**).

# **DIFFERENT BUDGET VIEWS: Function Codes, Object Codes, and Three-Part Budget**



# Major Budget Categories (Function Codes)

- General Support
- Instruction
- Pupil Transportation
- Community Service
- Employee Benefits
- Debt Service



# Major Budget Categories (Object Codes)

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

# Three-Part Budget (Function Codes)

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

# RECAP OF ROLLOVER BUDGET



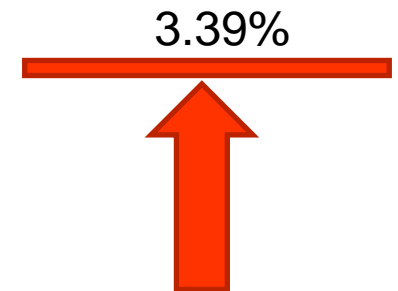
# **BUDGET CHALLENGES FOR 2014-2015:**

**Tax Levy Limit, Increase in  
Mandated Expenses, Decrease  
in Revenues**



# Budget Challenges: Tax Levy Limit

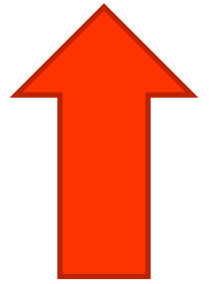
- Limited in our ability to raise revenue due to the tax levy limit
  - Tax levy limit calculations resulted in 3.39% tax levy after exclusions (with 1.46% tax levy limit before exclusions [from 2% in 2013-2014])



# What is the Tax Levy Limit?

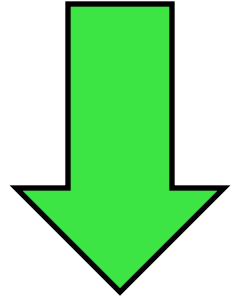
- Percentage from year-to-year that tax levy can increase
- Determined by each district according to a complex formula outlined by law
- Allowable tax levy limit requires greater than 50% voter approval
- Exceeding the allowable tax levy limit requires greater than 60% voter approval

# Budget Challenges: Expenses are Increasing



- Increase in expenses based on assumptions results in overall 3.4% budget to budget increase (\$564,703)
  - 2.5% increase in general support, instruction, and pupil transportation
  - 6.5% increase in benefits
  - 9.23% increase in Teachers Retirement System (TRS) (from 16.25% to 17.25%-17.75%)
  - 3.83% decrease in Employees Retirement System (ERS) (20.9% to 20.1%)

# Budget Challenges: Revenues are Decreasing

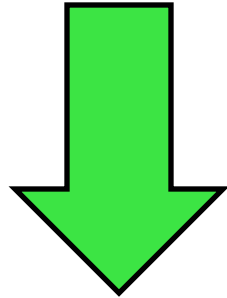


- Decrease in revenues as follows:
  - All Other Revenues decreased from \$1,062,923 in 2013-2014 to \$853,628 in 2014-2015, representing a 19.69% decrease
    - Primarily related to decrease in Pilot payment from Rochester Gas and Electric (RG&E) property (\$155,500) and end of Sales Tax Fair Plan (\$66,594)





# Budget Challenges: Revenues are Decreasing



- Planned decrease in use of Reserves based on five-year plan:
  - Decrease in use of ERS/Other Reserve from \$250,000 in 2013-2014 to \$200,000 in 2014-2015
  - Decrease in use of Debt Service Reserve from \$100,000 in 2013-2014 to \$70,471 in 2014-2015
  - Decrease in use of appropriated fund balance from \$348,864 in 2013-2014 to \$314,752 in 2014-2015

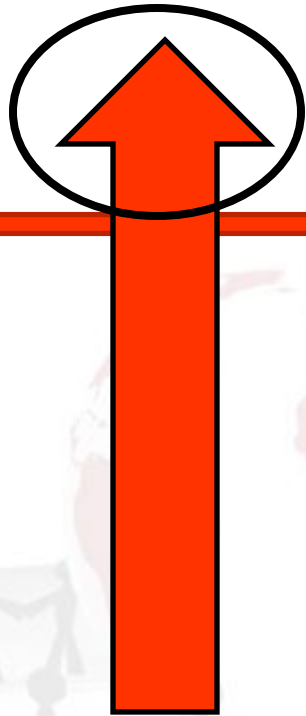
# What is the Impact of the Governor's Proposal on Our Revenue for 2014-2015?

State Aid Category	STATE APPROVED BUDGET Approved Budget 3/28/2013	State Aid (or Governor's Proposal) w/ Adjustments as of 1/21/2014	Differences (1/21/2014 to 3/28/2013)	
<b>Foundation Aid</b>	<b>3,997,117</b>	<b>3,997,117</b>	<b>0</b>	<b>0% Increase in Foundation Aid</b>
High Tax Aid	181,923	181,923	0	
Transportation Aid	655,121	664,310	9,189	
Building Aid*	1,011,443	999,641	(11,802)	
Excess Cost Aid	50,032	51,245	1,213	
Private Excess Cost Aid	127,115	122,928	(4,187)	
BOCES Aid <sup>1</sup>	683,139	666,535	(16,604)	
Hardware & Technology Aid	10,990	10,817	(173)	
Textbook, Software, Library Mat Aid	56,456	58,188	1,732	
Gap Elimination Adjustment	(1,140,421)	(838,673)	301,748	
GAP Restoration	301,748	42,625	(259,123)	
<b>Published Aid</b>	<b>5,934,663</b>	<b>5,956,656</b>	<b>21,993</b>	<b>GEA after restoration is at \$796,048</b>
Other Aids / Adjustments				
State Medicaid	45,000	45,000	0	
DEDUCTION FOR certain students	(38,391)	(39,543)	(1,152)	
Urban Suburban Program	258,078	258,078	0	
<b>TOTAL STATE AID</b>	<b>6,199,350</b>	<b>6,220,191</b>	<b>20,841</b>	<b>Current State Aid Increase of 0.33%</b>
Federal Medicaid	45,000	45,000	0	
<b>TOTAL STATE AND FEDERAL AID</b>	<b>6,244,350</b>	<b>6,265,191</b>	<b>20,841</b>	

State aid essentially flat, with 0.33% increase

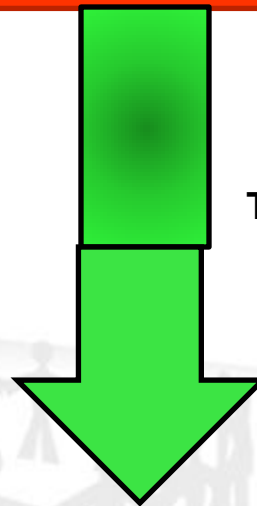
# Budget Challenges for 2014-2015

Gap between  
Expenses and  
Revenues  
to be  
closed



Increased  
Expenses

## Tax Levy Limit



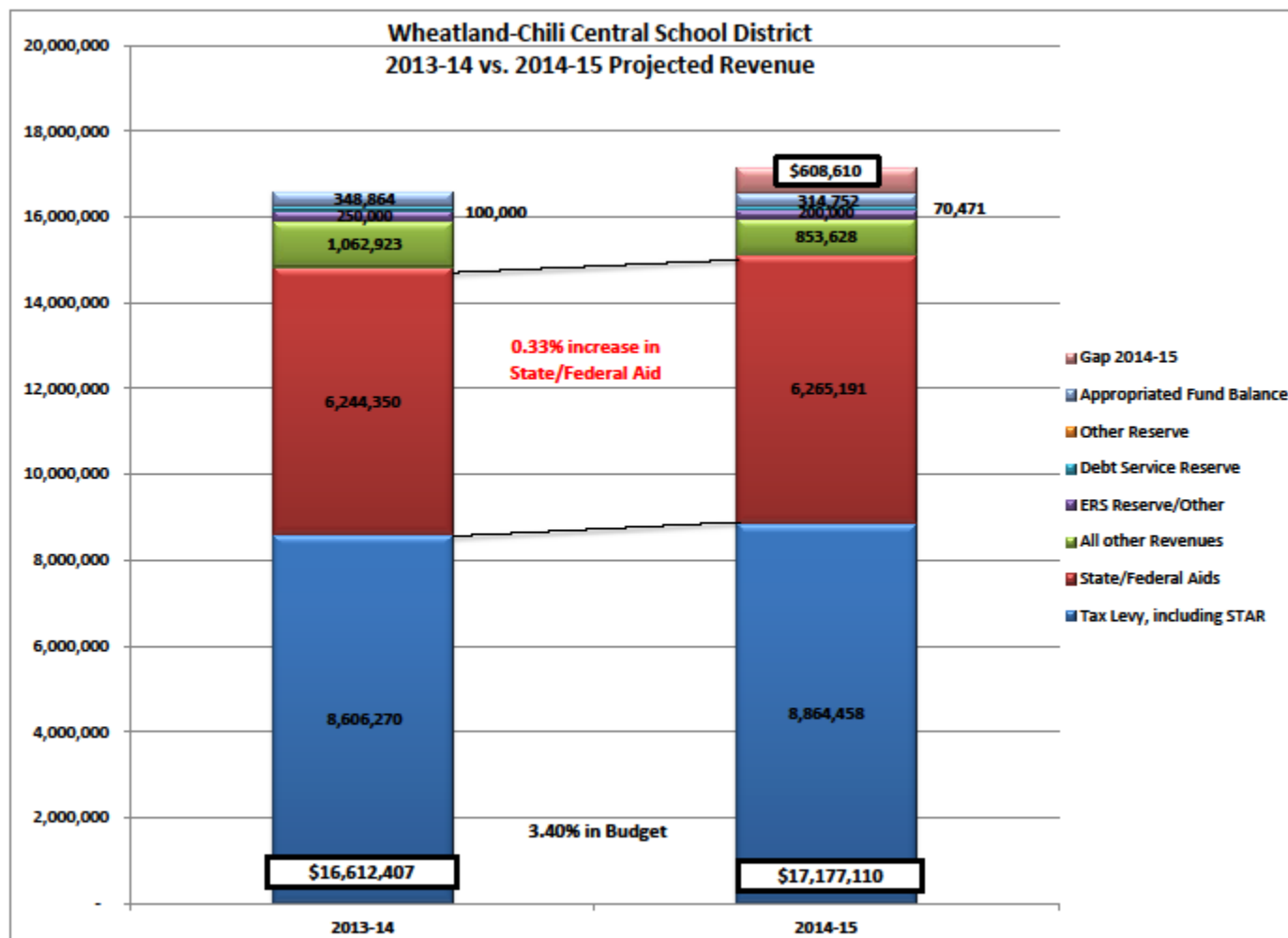
Decreased  
Revenue

Limited in  
Ability to  
Raise Revenue  
Through Tax Levy

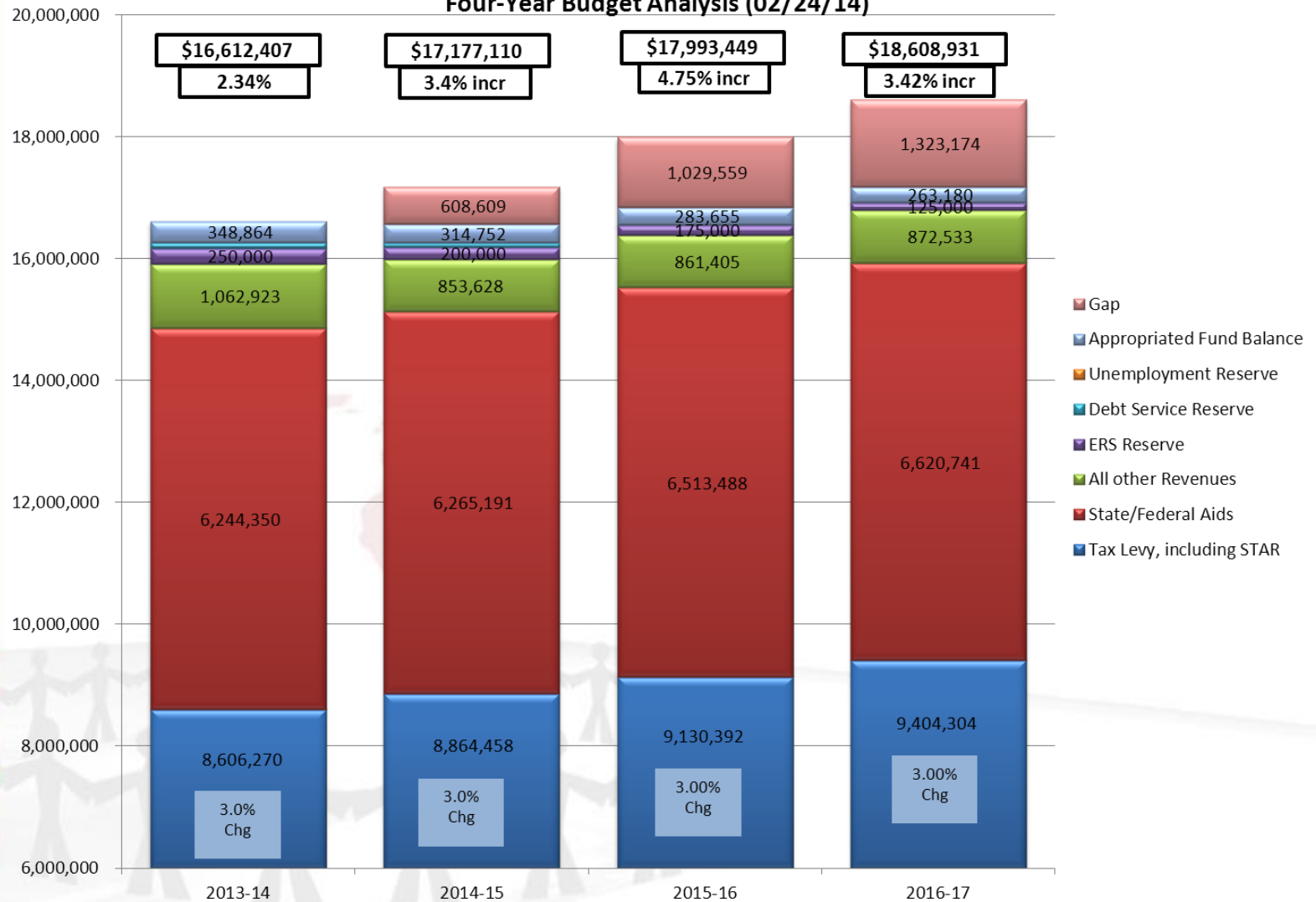
State Aid  
And Other  
Revenue

# Budget Challenges for 2014-2015

- To have the **same level of support and service** in 2014-2015 as we have in 2013-2014 would cost us an additional \$564,703 (when looking only at expenses)
- 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%, with the 0.33% increase in state aid from the Governor's Proposed Budget, we must **reduce our expenses by \$608,610** (after consideration of revenue picture)



# Wheatland-Chili Central School District Four-Year Budget Analysis (02/24/14)



# **CLOSING THE BUDGET GAP**



# Current Picture: Draft budget after tax levy limit adjustments

Amounts	Description
\$17,177,110	Budget amount as of 2/24/14
(\$608,610)	Gap between 2/24/14 budget and amount supported by 3.00% tax levy limit
+\$26,427	<u>Additional revenue</u> due to change in projection for Gap Elimination Adjustment (from -838,673 to -812,246)
+\$35,248	<u>Increase in use of appropriated fund balance</u> related to OPEB funds
\$16,630,175	Draft Budget 3/10/14 supported by 3.00% tax levy
+\$50,000	Maintain gap of \$50,000 in draft budget due to likelihood of additional state aid
\$16,680,175	Draft Budget 3/10/14 for discussion



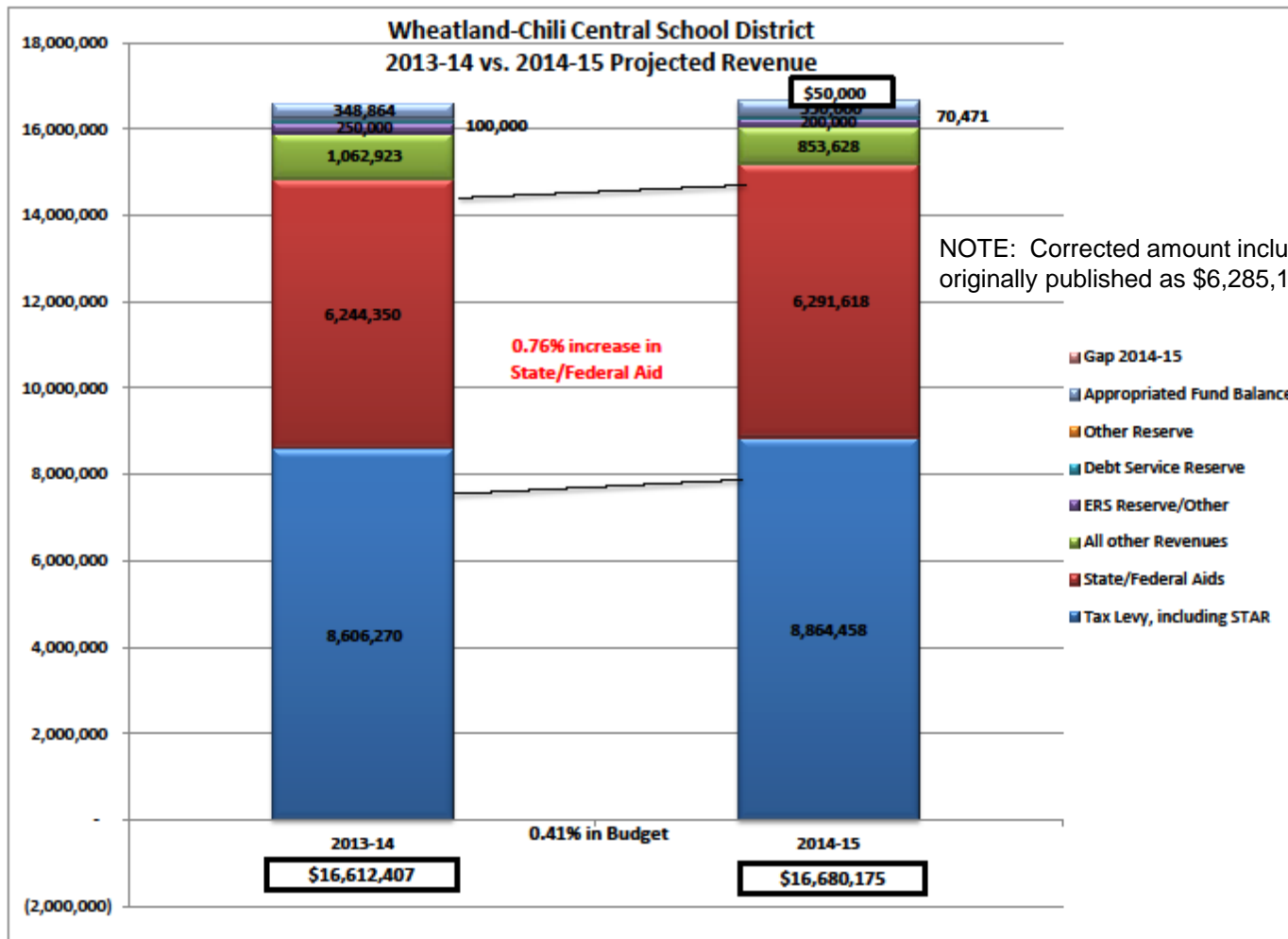
# What is the Impact of the Governor's Proposal on Our Revenue for 2014-2015?

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<b>Published Aid</b>	<b>5,934,663</b>	<b>5,983,083</b>	<b>21,993</b>
Other Aids / Adjustments			
State Medicaid	45,000	45,000	0
DEDUCTION FOR certain students	(38,391)	(39,543)	(1,152)
Urban Suburban Program	258,078	258,078	0
<b>TOTAL STATE AID</b>	<b>6,199,350</b>	<b>6,246,618</b>	<b>20,841</b>
Federal Medicaid	45,000	45,000	0
<b>TOTAL STATE AND FEDERAL AID</b>	<b>6,244,350</b>	<b>6,291,618</b>	<b>20,841</b>

0%  
Increase in  
Foundation  
Aid

GEA after  
restoration  
is at  
\$769,621

Current  
State  
Aid  
Increase of  
0.76%



How will we balance the budget with our increased mandated expenses and tax levy limit?



# What will we support in this budget?

- All program requirements are met
- Electives are offered with appropriate enrollment (Art, Business, Technology, Band, and Chorus)
- Sports opportunities with appropriate enrollment
- Extra-classroom clubs with appropriate enrollment
- High school summer school opportunities
- Drivers' education
- Olweus bullying prevention program
- Elementary science enrichment

# Reductions and efficiencies from past years

- Shared Director of Food Services with Honeoye Falls-Lima (Genesee Valley BOCES) (0.6 FTE reduction)
- Shared Director of Transportation and Buildings/Grounds (1.0 FTE reduction)
- Shared Director of Curriculum and Instruction and Data Manager
- Shared Business Manager with Greece Central (Monroe #2 BOCES) (0.5 FTE reduction)
  - Shared HR Manager with Honeoye Falls-Lima (Monroe #2 BOCES) (1.5 FTE – part of transition from full-time business manager who monitored Civil Service, etc.)
- Managed Information Technology Support (Monroe #1 BOCES) (0.5 FTE reduction)
- Reduction in Principal position (1.0 FTE reduction)

# Strategies to close the 2014-2015 budget gap

Combination of the following options:

- Staff reductions
- Purchase of BOCES services where possible, resulting in increased aid the following year
- Budget line reductions
- Contractual reductions
- Reduction through attrition (retirement)
- Continued use of reserves, but at lower rate

# What proposed reductions are in this budget?

- Elementary faculty (28.5 FTE) – 1.5 FTE Reduction
  - Special Education: 0.5 FTE through attrition (retirement)
  - Classroom Teacher: 1.0 FTE through attrition (retirement)

# What proposed reductions are in this budget?

- Middle/High faculty (43.8 FTE) – 2.1 FTE Reduction
  - Sixth-grade teacher (elementary certified): 1.0 FTE
  - Music: 0.2 FTE
  - Science: 0.2 FTE
  - Social Studies: 0.2 FTE
  - Special Education: 0.5 FTE through attrition (retirement)
- K-12 Paraprofessionals (33.0 FTE): 2.5 FTE (0.5 FTE currently a long-term substitute, and 1.0 through attribution [retirement])



# Reductions (Continued)

- Retirements
- Anticipated reduction related to Pupil Personnel Services Director through attrition (retirement); hiring of shared Director through BOCES
- Return of Athletic Director position to Wheatland-Chili Federation of Teachers Unit
- Line-by-line reductions in operational budgets

# What are the implications of these reductions?

- Class sizes will be maintained at the following levels:
  - Kindergarten: under 18 students/class
  - Grades 1-3: under 18 students/class in Math and ELA; under 25 students/class in other areas
  - Grades 4-8: under 26 students/class
  - Grades 9-12: no fewer than 10 students/electives (based on program requirements) or more than 27 students/core classes
- Ninth-grade students will be in two sections for Science and Social Studies
- Adjustment to lesson schedule at MS/HS, or adjustment to general music offering

# Class Size Considerations: K-6

Grade	Actual No. of Sections 2013-2014	Projected Enrollment 2014-2015 (Updated 2.5.14, 3.7.14)	No. of Sections 2014-2015 (Based on 2013-2014)	No. of Sections 2014-2015 (Based on Below Targets)
K	3	50 (Est.)	3	3
1	2.5	$53+3=56+1=57$	3	3
2	3	$45-3=42-1=41$	2.5	2.5
3	2	$51-3=48+1=49$	3	2.5
4	3	$33+1=34$	2	2
5	2.5	$46+2=48$	3	2
6	3	$50+1=51$	2.5	2
TOTAL	19		19	17

K: Under 18 Students/Class

1-3: Under 18 Students/Class in Math and ELA; under 25 Students/Class

4-8: Under 26 Students/Class

# Class Size Considerations: 7-12

Grade	Actual No. of Sections 2013- 2014	Projected Enrollment 2014-2015 (Updated 2.5.14, 3.7.14)	No. of Sections 2014-2015 (Based on 2013-2014)	No. of Sections 2014-2015 (Based on Below Targets)
7	2	$64-3=61-1=60$	3	3
8	3	$47+1=48$	2	2
9	3	$50-1=49$	3	2
10	3	$52+1=53$	3	2
11	3	$68-7=61$	3	3
12	3	$58-1=57$	3	3
TOTAL	17		17	15

9-12: No fewer than 10 Students/electives (based on program requirements) or more than 27 Students/core courses

# Implications (Continued)

- Deliver special education services in a way that is sensitive to cost efficiencies while providing required and needed support for students
  - Transition from 11.0 teachers for 96 students to 10.0 teachers for 96 students
  - Transition began in 2013-2014 with shift from 12.0 teachers to 11.0 teachers
- District's cost per student is \$32,204 compared to similar schools' cost of \$28,585 per student and NYS average of \$29,741<sup>1</sup>

<sup>1</sup>New York State School Report Card, Fiscal Accountability Supplement (based on 2010-2011 data)

# Implications (Continued)

- Reduce teachers' aide support in general education
  - 1.5 FTE at TJC (0.5 FTE long-term substitute position)
  - 1.0 FTE at MS/HS

NOTE: 1.0 FTE position noted above is reduced through attrition (retirement)

# Major Budget Categories



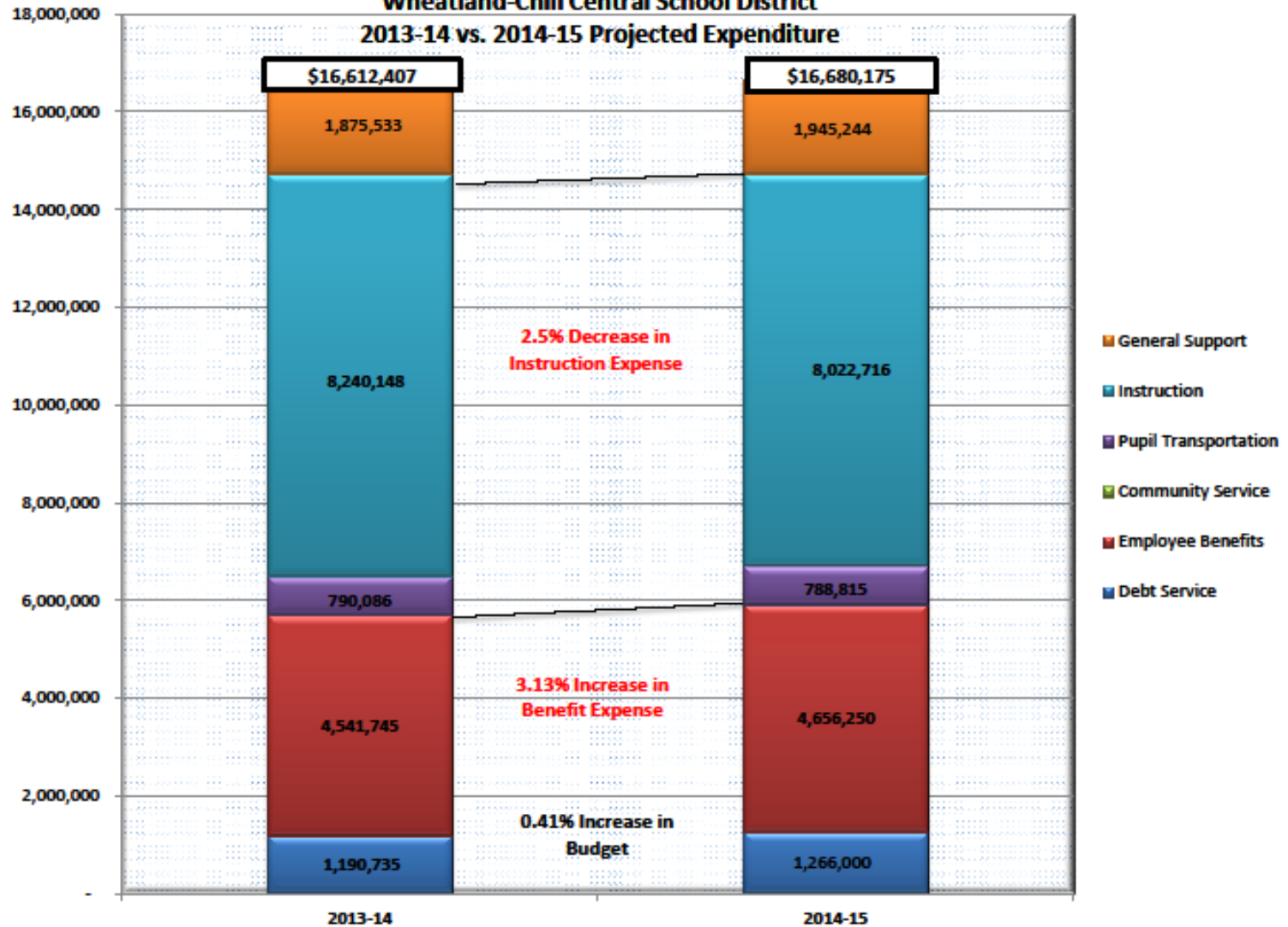
# 2014-2015 Budget (as of 3.6.14)

## *Function Summary*

Category	2013-2014 Adopted Budget	2014-2015 Rollover Budget	2014-2015 Proposed Budget	Amount Change (Adopted to Proposed)	% Budget to Budget (Adopted to Proposed)
General Support	1,875,533	1,922,421	1,945,244	69,711	3.72%
Instruction	8,240,148	8,446,152	8,022,716	(217,432)	-2.50%
Pupil Transportation	790,086	809,838	788,815	(1,271)	-0.16%
Community Service	1,160	1,160	1,150	(10)	-2.50%
Employee Benefits	4,514,745	4,808,203	4,656,250	141,505	3.13%
Debt Service	1,190,735	1,189,335	1,266,000	75,265	2.50%
<b>Total</b>	<b>16,612,407</b>	<b>17,177,110</b>	<b>16,680,175</b>	<b>67,768</b>	<b>0.41%</b>



### Wheatland-Chili Central School District 2013-14 vs. 2014-15 Projected Expenditure

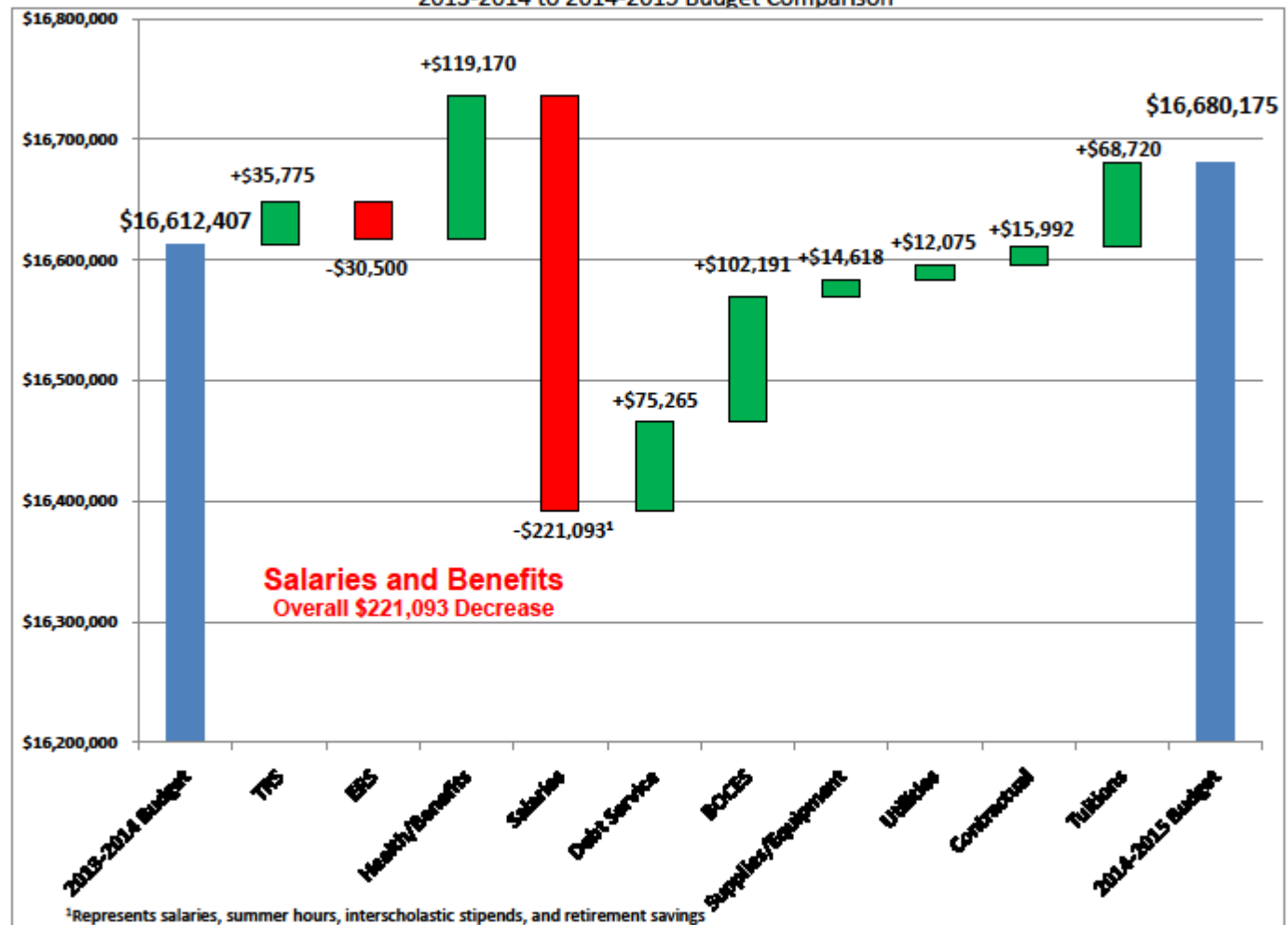


# 2014-2015 Budget (as of 3.6.14)

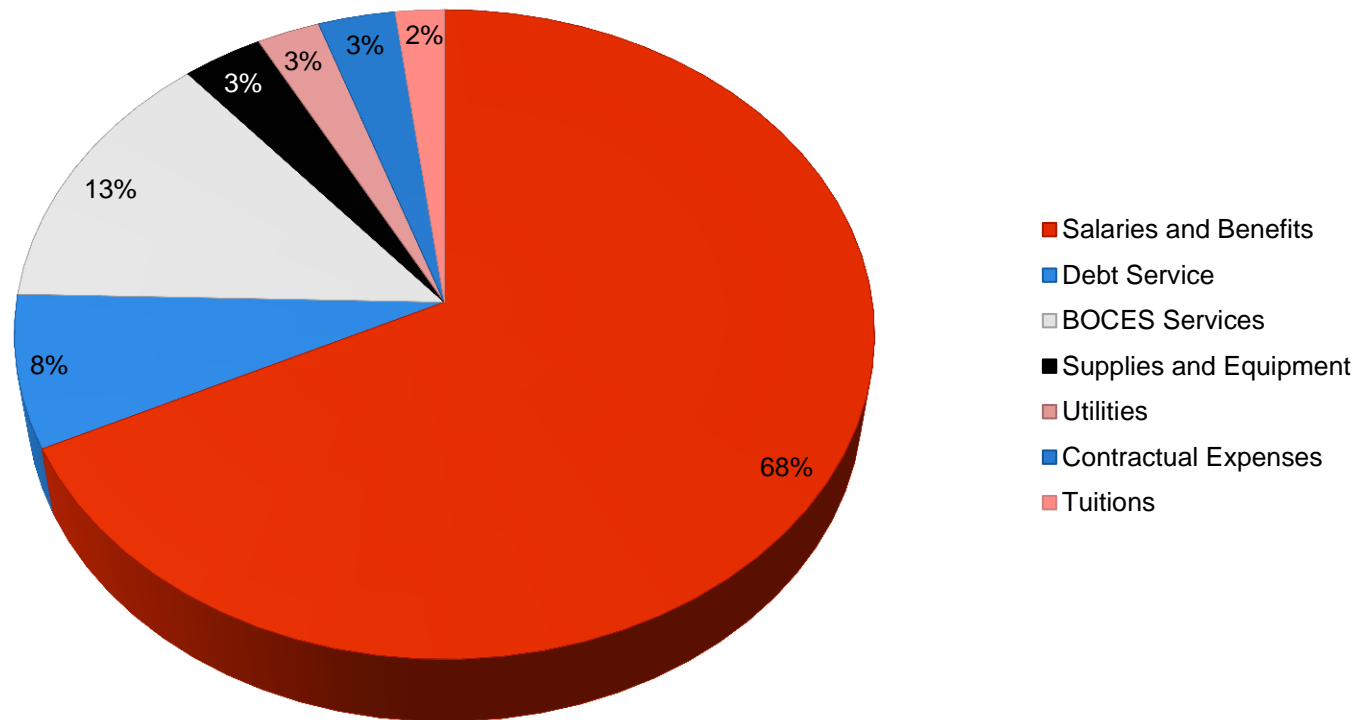
## *Object Summary*

Category	2013-2014 Amount	2014-2015 Amount	Amount Change	% Change
Salaries and Benefits	11,531,710	11,310,617	(221,093)	-1.92%
Debt Service	1,190,735	1,266,000	75,265	2.50%
BOCES Services	2,140,798	2,242,989	102,191	2.50%
Supplies and Equipment	540,701	555,319	14,618	2.70%
Utilities	423,990	436,065	12,075	2.50%
Contractual Expenses	516,283	532,275	15,992	3.10%
Tuitions	268,190	336,910	68,720	2.50%
<b>Total Budget</b>	<b>16,612,407</b>	<b>16,680,175</b>	<b>67,768</b>	<b>0.41%</b>

WHEATLAND-CHILI CENTRAL SCHOOL DISTRICT  
2013-2014 to 2014-2015 Budget Comparison



# Major Areas of the Budget (Object Summary)



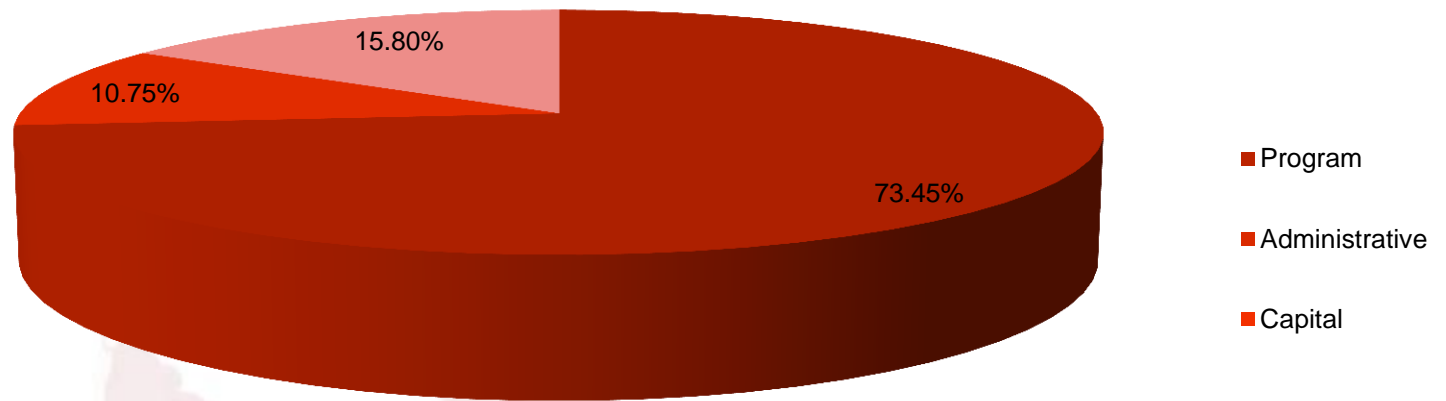
# Three-Part Budget



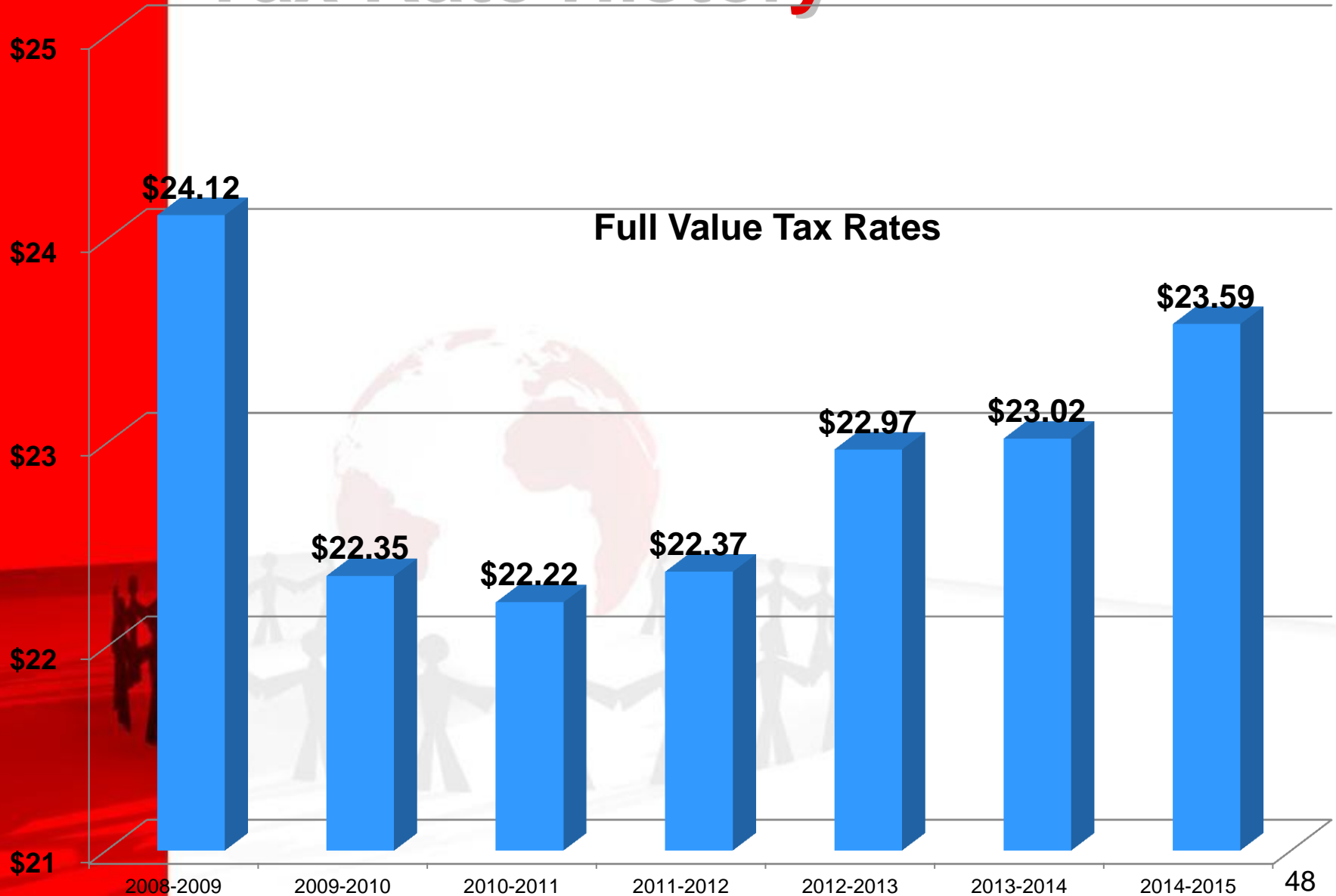
# Three-Part Budget

Component	2013-2014 Adopted	% of Budget	2014-2015 Proposed	% of Budget
<b>Program</b> Instructional, co-curricular, and athletic programs; counseling and health services; and pupil transportation	\$12,374,631	74.49%	\$12,251,029	73.45%
<b>Administrative</b> Board of Education costs, central and school administration, finance (including tax collection, purchasing, legal and auditing expenses), curriculum development, and BOCES administrative expenses	\$1,665,302	10.02%	\$1,793,725	10.75%
<b>Capital</b> Building and equipment repairs, custodial and maintenance supplies, utilities, and debt service	\$2,572,475	15.49%	\$2,635,421	15.80%
<b>Total</b>	<b>\$16,612,407</b>	<b>100%</b>	<b>\$16,680,175</b>	<b>100%</b>

# Three-Part Budget



# Tax Rate History

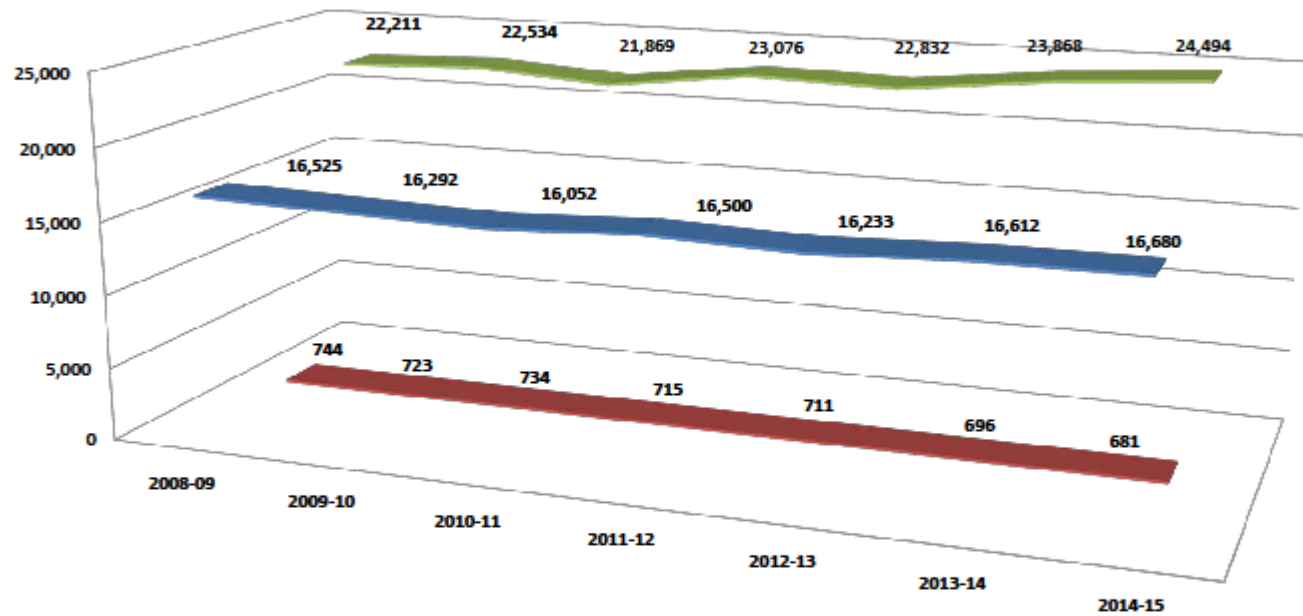




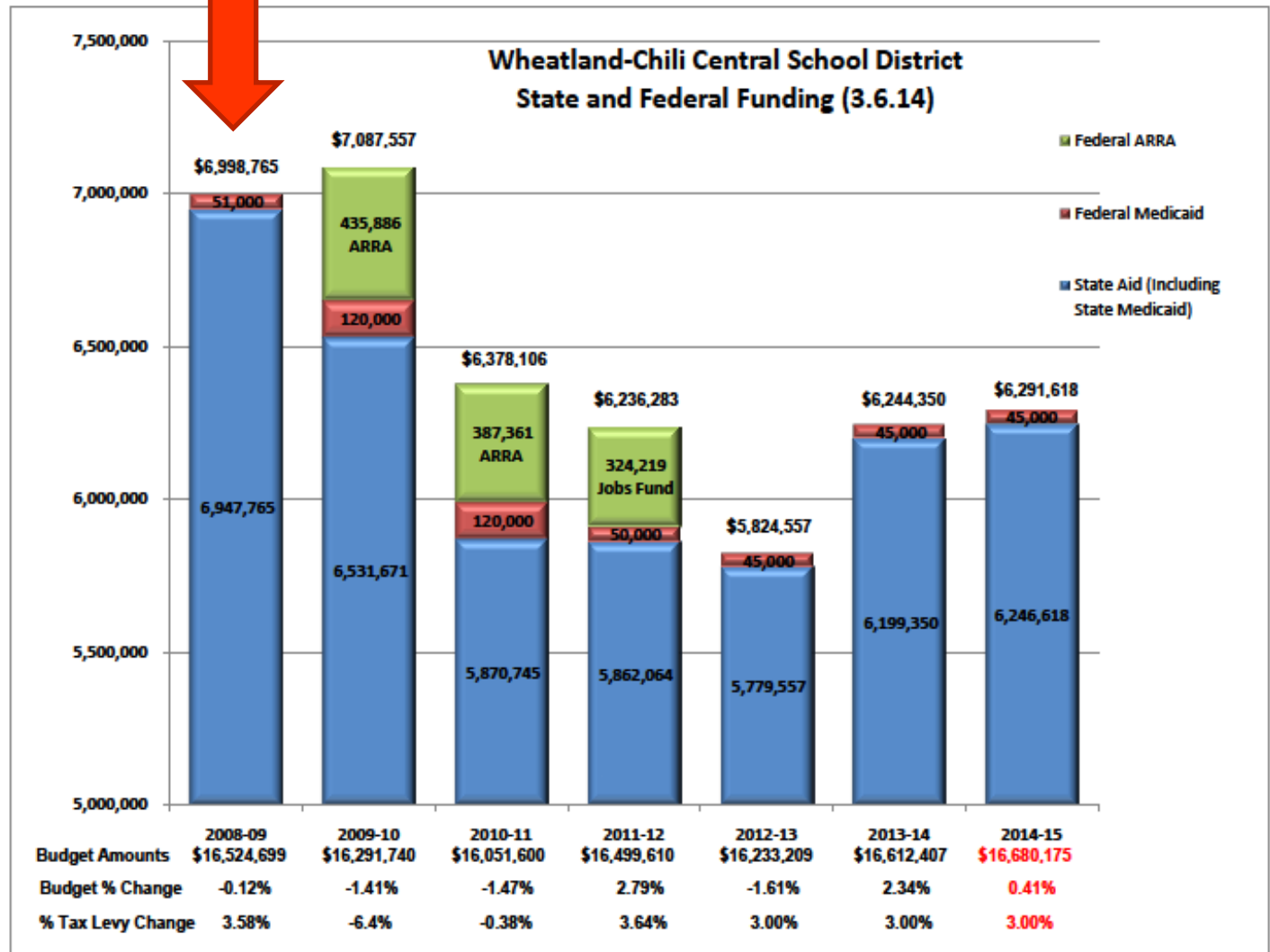
# WCCSD BUDGET OVER TIME



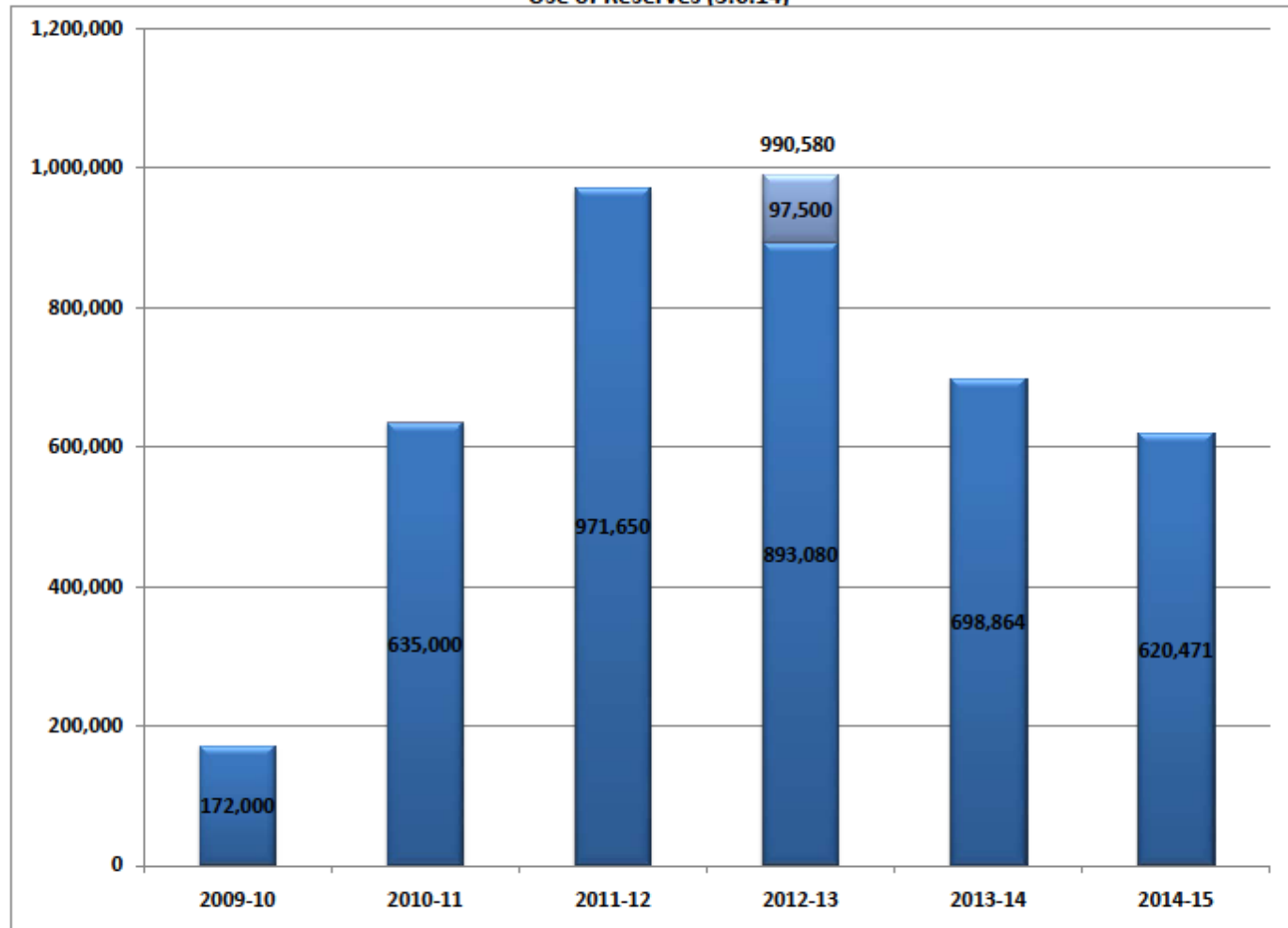
# **Wheatland-Chili Central School District Comparison of Budget, Enrollment, and Per Pupil Costs 2008-09 to 2014-15 (3.6.14)**



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Budget (by 1,000)	16,525	16,292	16,052	16,500	16,233	16,612	16,680
Enrollment	744	723	734	715	711	696	681
Per Pupil Cost	22,211	22,534	21,869	23,076	22,832	23,868	24,494

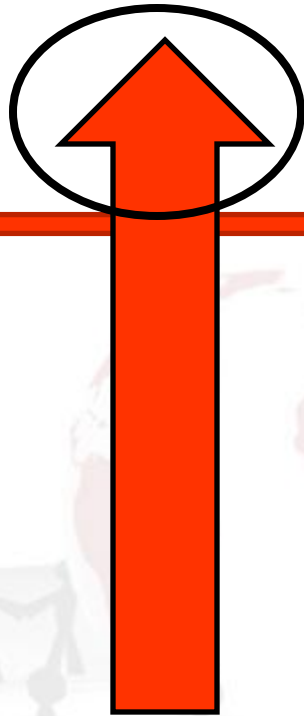


**Wheatland-Chili Central School District**  
**Use of Reserves (3.6.14)**



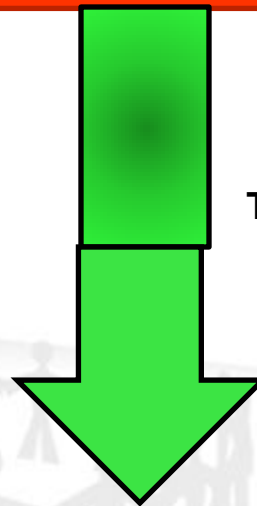
# Budget Challenges for 2014-2015

Gap between  
Expenses and  
Revenues  
to be  
closed



Increased  
Expenses

## Tax Levy Limit



Decreased  
Revenue

Limited in  
Ability to  
Raise Revenue  
Through Tax Levy

State Aid  
And Other  
Revenue

# What will we do?

- Work to meet the requirements of the tax levy limit
- Work together to creatively budget for our existing level of educational services



# **2014-2015 Budget Development Process**

**April 3, 2014**

- Tentative Budget Workshop

**April 7, 2014**

- Board Adoption of Proposed Budget