



# **JERICHO SCHOOL DISTRICT BUDGET 2009-10**

The information in this document will be presented at Budget Workshop # 4 on Thursday, March 5 at the Jericho Middle School Library at 7:30 p.m. At that time Dr. Joan L. Colvin, Assistant Superintendent for Business Affairs will review this information with the Board of Education.

The information is compiled from budget excel worksheets and the best manner to view the numbers presented is to view the slides in the slide presentation form. Click Slide Show in the lower right hand corner to begin the slide presentation. To progress from slide to slide simply press the space bar.

You may print a copy of the presentation by clicking the print symbol or you may obtain a copy from the business office. Please call 203-3600 Extension 3214.

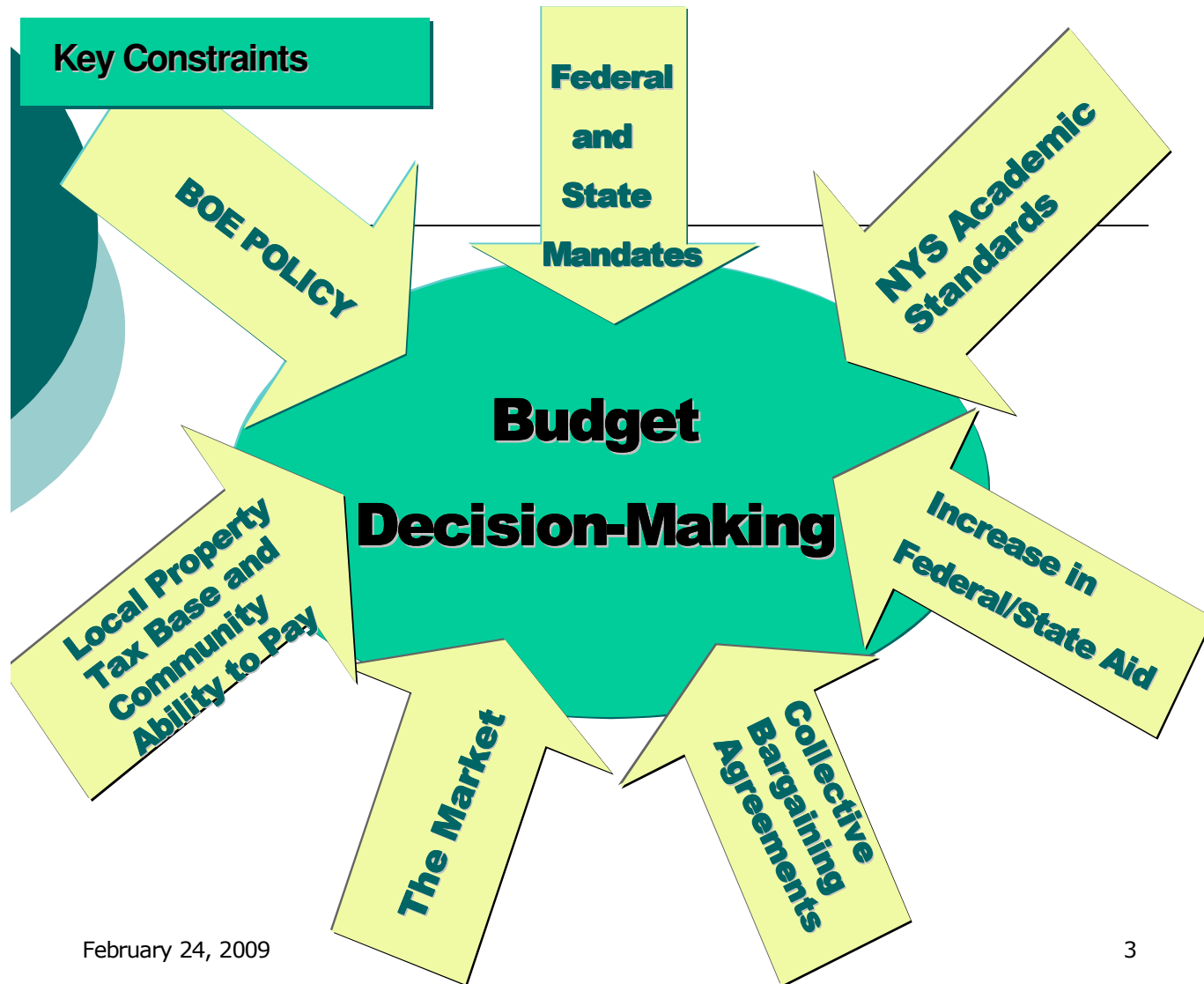


# **JERICHO SCHOOL DISTRICT BUDGET**

## **Workshop #4**

**Driving Forces in School Budgets  
Efficiencies Attained in Past Years  
Budget Summary and Revenues  
Fund Balance Management  
Contingent Budget Rules  
Estimated Expenditures  
Estimated Revenues  
Proposed Tax Levy**





February 24, 2009

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March 4, 2009

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# Remember the Constraints on Budget Expenditure Decisions

## Four Major Categories

- State and Federal mandates and the educational imperatives that flow from these mandates.
- Collective bargaining agreements with administrators, teachers and support staff as negotiated by the Board that define salary, benefits, work hours and teaching workloads.
- The “market”, which within a narrow range determines the price of human and material resources used by the school district, and the level of programs and services we must provide to remain competitive as a community, as well as the tax burden the community is willing to bear.
- Board of Education policy, and other Board of Education decisions, usually reflecting educational judgment and community desires. Board policy imposes “soft” constraints – ones which are modifiable by Board action.





# Effect of Economy on NYS

- Wall Street provides 20 percent of the New York State tax revenue
- 2009 NYS Budget Deficit between \$8-15 Billion
- NYS spending is growing faster than revenue collections





# Impact of Economy and Gov's Proposal on Jericho School District

- Loss of State Aid up to \$1,000,000
- Loss of Interest Income Revenue up to \$400,000
- Economic Pressure on our taxpayers
- Loss of middle class star as a reduction of property tax for our taxpayers





# Cost Analyses

## Completed Annually or Periodically

- Transportation Routing including cost per student mile of alternative bus routing/scheduling approaches and Cost for district-run routes versus contracted routes
- Comparative program costs per pupil level of scheduling efficiency in use of secondary staff
- Insurance risk management, i.e. life, dental, disability, property and liability
- Elementary school class size analysis
- Overtime for buildings and grounds and the projects accomplished compared to contracted services
- Staffing FTE and student ratios per building to ensure level and effective programming for all students
- Cost for telephone and data line services
- Technology Department comparison of contracted services versus “in-house” services
- Costs per building--using specific costs for staffing but average costs for benefits and other operational costs



# **COST SAVINGS MEASURES**

- **Bond Refinancing--\$955,000**
- **Sale of Nike Site for over \$3,000,000 monies used for Capital Projects**
- **Elimination of Leasing of Computer Equipment—saving approximately \$250,000 annually**
- **Joining Worker's Compensation Co-operative**
- **Quoting of Insurance resulted in immediate savings \$60,000**
- **Joining NYS Insurance Reciprocal (NYSIR) resulting in lower annual cost for the past 5 years**
- **Tracking of Costs for High Cost Students to Maximize State Aid resulting in increase of aid by approximately \$250,000 per year**
- **Re-Negotiations of the Transportation RFP saving over \$700,000**
- **Staff Cuts implemented as enrollment has declined**





# Cost Cutting Measures

## Cost Cutting Measure

## Annual Savings

- **Purchasing through Co-op (EDS)** **\$100,000 to \$330,000**
  
- **Telephone/Data Lines Consolidation** **\$100,000 to \$150,000**
  - **Consolidation of Lines**
  - **E-rate Funding Application**
  
- **Computer Replacement Program** **\$250,000**
  
- **B & G Contractual** **\$100,000 to \$165,000**
  - Repair Work \$ 22,000
  - Air Conditioning 50,000
  - Electric 43,296
  - Plumbing 24,000
  - Construction 23,117



# Cost Cutting Measures

## Cost Cutting Measure

## Annual Savings

- |                                   |                       |
|-----------------------------------|-----------------------|
| ● Legal Notices with BOCES        | \$ 40,000 to \$50,000 |
| ● Paperless/Postage Savings       | \$ 40,000 to \$50,000 |
| ● Newsletters (RFP & # of issues) | \$ 20,000 to \$25,000 |
| ● Life Insurance                  | \$ 20,000 to \$40,000 |
| ● Disability Insurance            | \$ 40,000 to \$50,000 |
| ● Instrument Repair               | \$ 3,000 to \$5,000   |





# 2009-10 Budget Changes

## Clerical Changes

● Personnel	-1.6
● Curriculum and Instruction	- .4
● Supervision	-1.0
● Curriculum	<u>- .5</u>
	-3.5

## Custodial, Maintenance, Grounds

- Cutting back of overtime
  - Pre-approval of all overtime

Anticipated Savings \$254,000



# 2009-10 Budget Changes

## Children with Special Needs

- Co-Teachers +3
- Teacher Aides -5
- Life Skills -1
- Learning Center -9,725 hrs

Anticipated Savings \$265,000





# 2009-10 Budget Changes

## Proposed Staffing 2009-10

### Elementary (K-6)

-2 Jackson  
 -1 Seaman  
 -2 Cantiague  
 -1 MS 6<sup>th</sup> grade  
 -1.8 Elem. Specials  
**(Reserve 4)**

-7.8

### Secondary (7-12)

MS -1.0  
 HS +4.0  
 Specials -1.0

+2.0

**ALL STAFFING CHANGES BASED ON ANALYSIS OF ENROLLMENT**



# 2009-10 Budget Changes

## Co-curricular

- Elementary Clubs
- 10 Middle School Clubs
- 10 High School Clubs

## Athletics

- 7<sup>th</sup> Grade Second Teams
- 8<sup>th</sup> Grade Second Teams
- JV 9 Teams Softball, Baseball
- JV 9 Teams G&B Volleyball
- Portion of Ice Hockey
- Assistant Coaches/Site Supervisor

**Anticipated Savings \$266,000**



# Building Budget Reductions

Equipment, Textbooks, Materials and Supplies

<b>High School</b>			<b>37,542</b>
<b>Middle School</b>			<b>26,033</b>
<b>Cantiague</b>			<b>12,528</b>
<b>Jackson</b>			<b>12,785</b>
<b>Seaman</b>			<b>12,038</b>
<b>Total</b>			<b>\$ 100,926</b>

**Budget Changes -\$100,926**



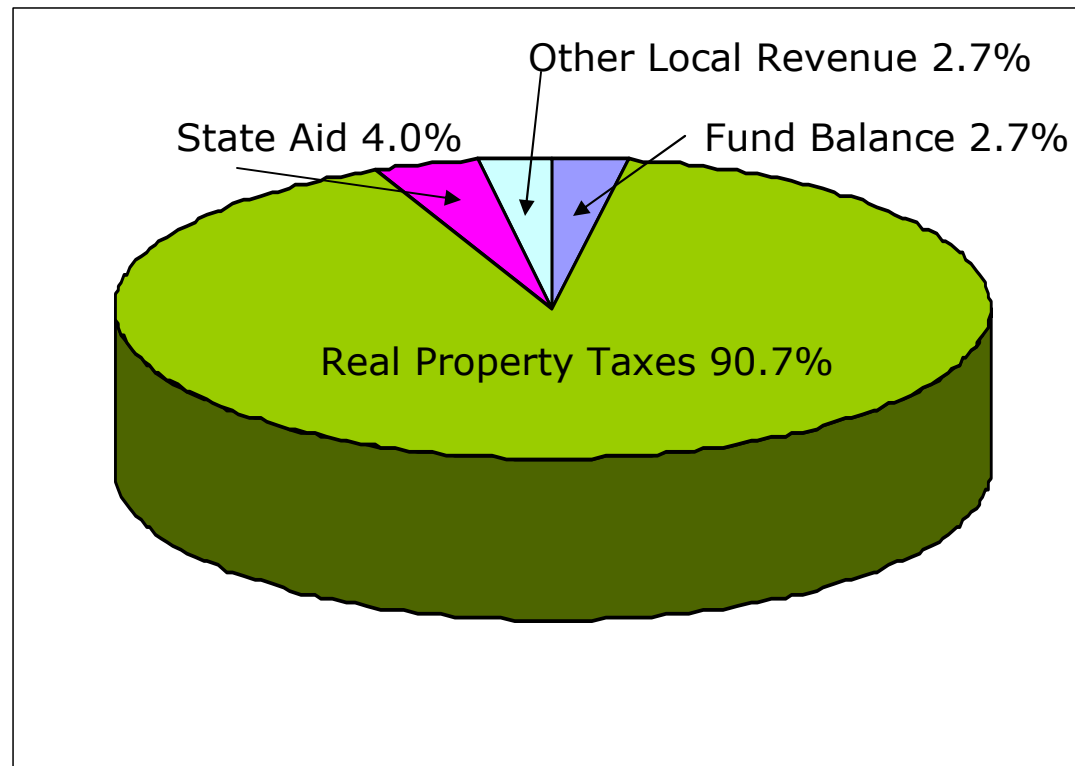
# Budget Summary

CODE	DESCRIPTION	Actual 2007-08	Budget 2008-09	Budget 2009-10	Percent Increase
	EXPENDITURES				
1000	GENERAL SUPPORT	8,683,053	10,178,186	10,242,633	
1000A	GENERAL SUPPORT BLDG IMPRV	1,075,000	1,595,000	1,595,000	
2000	INSTRUCTION	59,113,640	62,632,309	65,461,146	
5000	PUPIL TRANSPORTATION	5,115,062	5,546,677	5,981,127	
7000	COMMUNITY SERVICES	58,851	77,000	62,000	
9000	UNDISTRIBUTED	22,641,742	21,379,845	21,890,298	
	TOTAL EXPENDITURES	96,687,348	101,409,017	105,232,204	<b>3.77%</b>
	APPROPRIATED FUND BALANCE		2,500,000	2,800,000	
	REVENUES				
	INTEREST	1,331,544	1,100,000	900,000	
	MISCELLANEOUS REVENUES	429,460	350,000	420,000	
	TUITION OTHER DISTRICT--TUTORS	100,035	120,000	120,000	
	STATE AID--REGULAR	4,642,404	4,200,000	4,200,000	
	TEXTBOOK, COMPT, LIBRARY	285,429			
	USE OF POOL AND ADMISSIONS	11,050	10,000	10,000	
	TOBAY PROGRAM	7,500	7,000	7,000	
	CULTURAL ARTS FEES	49,039	40,000	40,000	
	NYS OASIS PROGRAM	66,485	66,000	66,000	
	NON-PUBLIC HEALTH CHARGES	670,860	700,000	700,000	
	RENTAL OF PROPERTY	532,871	530,000	530,000	
	TRANSFER OTHER FUNDS		-	-	
	TOTAL RECEIPTS	8,126,677	9,623,000	9,793,000	
	RAISED BY TAXES	87,465,974	91,786,017	95,439,204	<b>3.98%</b>
	Total Revenue	95,592,651	101,409,017	105,232,204	





# Revenue 2009-10





## Factors Determining Real Estate Taxes

- *The tax base*—the value of all of the property within the school district
- *The assessment practices*—percentage of market value applied to the property taxed
- *The tax levy*—the amount of money needed by the school district to fund its programs





## Who controls the factors that determine the amount of the school tax?

- *State of New York* determines the Tax Base by setting the boundaries for school districts.
- *Nassau County* determines the Assessment Practices and the percentage of market value applied to the property to be taxed.
- *Jericho School District* sets the Tax Levy—the amount of money needed by the school district to fund its educational program.





# WHAT IS A FUND BALANCE and HOW IS IT CREATED?

- A fund balance occurs because a budget is an estimate of expected expenditures and revenues and not an exact prediction of the future.
  
- A fund balance is created when:
  - Revenues are higher than what was budgeted
  - Expenses are less than what was budgeted
  
- It occurs because the estimate for both revenues and for expenditures was conservative, as it should be.
  
- By law the Unappropriated Fund Balance is limited to 4% of the upcoming year's budget.





## **Why do we need a FUND BALANCE and what is its value?**

- To assure the public that the budget plan will tolerate a certain amount of unexpected adversity without forcing a crisis.
- To meet unanticipated expenses and to provide for “rainy day” emergencies.
- A stable fund balance is an indicator of good money management.
- A stable fund balance results in a good credit rating which leads to lower interest costs for long and short-term borrowing.
- An appropriated fund balance promotes stability in the tax rate.





# Fund Balance Management

- Managing fund balances is one of the most difficult tasks of the budgeting process, since budgets are only estimates of expenditures and anticipated revenues.
- Spending fund balance monies on the district's regular operations is not sound financial management and should be avoided.





## What would be the effect if a district did not plan for the appropriation of the fund balance and depleted the fund balance over time?

### Fund Balance Example:

	<u>6/30/07</u>	<u>6/30/08</u>	<u>6/30/09</u>
Revenue	\$10,200,000	\$11,300,000	\$11,800,000
Expenditures	<u>9,600,000</u>	<u>10,800,000</u>	<u>11,600,000</u>
Fund Balance	600,000	500,000	200,000
Appropriated For Taxes	<u>400,000</u>	<u>600,000</u>	<b>Now What?</b>
Unappropriated Fund Balance	200,000	100,000	

Diagram annotations:  
 - Arrow from 200,000 (Unappropriated Fund Balance 6/30/07) to 500,000 (Fund Balance 6/30/08) labeled 700,000.  
 - Arrow from 100,000 (Unappropriated Fund Balance 6/30/08) to 200,000 (Fund Balance 6/30/09) labeled 300,000.

- The district must increase the 2010 tax levy by at least \$300,000 in order to make up for the shortfall in Appropriated Fund Balance.
- If the district appropriates the full \$300,000 they will have \$-0- for emergencies.



# Budgeted Expenditures

<u>Year</u>	<u>Total Budget</u>	<u>% of Increase</u>
2009-10	\$105,275,017	3.77%
2008-09	\$101,409,017	5.98%
2007-08	\$ 95,683,737	6.9%
2006-07	\$89,505,455	7.4%







## Jericho Union Free School District Three Year Plan Capital Improvements

Revenue Sources:

Sale of Nike Site	\$3,000,000
Interest Earned on Nike Investment	150,000
Excel Funds	1,100,000
Budget Appropriation 2007-08	1,000,000
Budget Appropriation 2008-09	1,550,000
Budget Appropriation 2009-10	<u>1,550,000</u>
Total	\$8,350,000

Projects:

2007-08	
Tennis Courts	\$1,000,000
HS/MS Roofing	<u>4,200,000</u>
	\$5,200,000
2008-09	
Cantiague Roof	\$1,100,000
Asphalt	400,000
2009-10	
Jackson Roof	<u>\$1,650,000</u>
Total Projects	\$8,350,000



# What is a Contingent Budget?

- In the event that the school budget is rejected, the Board of Education is empowered to levy a tax for ordinary contingent expenses.
- If the school budget is rejected twice, the school board must adopt a contingent budget.
- Education Law, however, places a computed dollar cap on the contingent budget dollar amount.
- A contingent budget for 2010 may not be greater than 4% above the prior year's budget amount.





# Contingent Budget

- Determination of the sum needed for ordinary contingent expenses rests with the Board of Education
- Expenses that are necessary to operate and maintain the schools are considered contingent expenses
- Expenses that are essential to maintain the educational program, preserve property, and assure the health and safety of students and staff
- Examples of expenditures not allowable:
  - new equipment (however replacement computer equipment has been deemed by the commissioner to be a contingent expense)
  - budgetary subsidies of food service
  - pupil supplies
  - certain capital expenditures
- Public use of school buildings and grounds, except where there is no cost to the district
- Consultant services to review district operations and make recommendations necessary for the creation of a budget





# What is the Contingent Budget Cap for 2008 in the Jericho District?

**2008-09 Adopted Budget**

**\$101,409,017**

**Less: (base year exclusions)**

- Budgeted capital expenditures resulting from construction, acquisition, reconstruction, rehabilitation or improvement of school facilities, including debt service and lease expenditures, subject to the approval of the qualified voters where required by law

**Debt Service**

2,041,300

**Capital Improvement**

1,100,000

**Adjusted base year adopted budget**

**\$98,267,717**

**2009-10 Contingency Budget**

2008-09 adjusted base year x CPI (4%)

**\$ 102,198,426**

**Add: (subsequent year exclusions)**

- Budgeted capital expenditures resulting from construction, acquisition, reconstruction, rehabilitation or improvement of school facilities, including debt service and lease expenditures, subject to the approval of the qualified voters where required by law

**Debt Service**

1,991,138

**Capital Improvement**

1,550,000

- Budget expenditures attributable to projected increases in public school enrollment

270,000

**Proposed budget VS Contingent budget**

**\$105,232,204**

**\$ 106,009,564**

**Difference**

\$

777,360



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