

New Lebanon CSD 2015-16 Budget

2nd Presentation
February 11, 2015

Executive Budget Summary

- **Statewide increase in school aid of \$1.1 Billion (4.8% from 2014-15)**

Increase in School Aid	\$1,013,000,000
Pre K for 3 Year Olds	\$28,000,000
Other Education Reform Initiatives	\$59,000,000
Total	\$1,100,000

Increase in Education Aid Linked to New Education Reforms

- **Implement Changes to the Teacher Evaluation System**
- **Implement Changes to the Teacher Certification Process**
- **Implement Changes to the Teacher Tenure Process**
- **Provide Authority to the State to Improve Failing Schools**

If the Legislature Does not Accept the Governor's Education Reforms....

- **Education Aid would be held to \$377 Million or a 1.7% increase statewide**

Issues for School Districts resulting from the Executive Budget

- **Governor did not release State Aid runs**
- **There was no detail in the Budget documents regarding distribution of aid**
- **Most likely the majority of a 1.7% increase will be used up by Expense Based Aids (Transportation, BOCES, Building Aid) that are already a part of existing law**
- **District's cannot accurately calculate the Capital Exclusion for the Property Tax Cap**

Tax Levy Limit Calculation

Prior Year Tax Levy		\$8,523,344
Tax Base Growth Factor	x	1.0048
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		\$8,564,256
Prior Year PILOT	+	\$0
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		\$8,564,256
Prior Year Exemptions (Capital Expenditures)	-	\$522,874
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Adjusted Prior Year Levy		\$8,041,382
Allowable Growth Factor (lesser of CPI or 2%)	x	1.0162
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		\$8,171,652
PILOTS for Coming Year	+	\$0
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		\$8,233,595
Tax Levy Limit		\$8,171,652
Coming School Year Exemptions:		
Capital Exclusion for 2015-16	+	\$494,631 ?
Maximum Allowable Levy		\$8,666,283 ?
		1.68% ?

NYS Budget Progress Since Last Board Meeting

- **Sheldon Silver- Speaker of the NYS Assembly resigned due to a Federal Investigation**
- **Carl Heastie has taken over as Speaker of the Assembly (One of the three men in a room)**
- **Due to the Sheldon Silver issues, Governor Cuomo made a budget deal contingent upon approval of legislative ethics reforms**
- **Potential to delay a final budget past the April 1st deadline**

Property Tax Freeze

- **Year One- District must comply with Tax Cap**
- **Year Two- District must comply with Tax Cap and submit an efficiency plan by June 1st to the Division of Budget**

Potential Government Efficiency Plan

		2016-17	2017-18	2018-19
Full Time Special Education Director	Full Time Salary	\$99,538	\$102,524	\$105,600
	TRS	\$13,198.74	\$13,594.70	\$14,002.54
	FICA & Medicare	\$7,415.58	\$7,638.05	\$7,867.19
	District Contribution to Health Insurance	\$16,959	\$17,298	\$17,644
	Total Salary and Benefits	\$137,111	\$141,055	\$145,114
Part Time CSE Chair	Part Time Salary	\$40,000	\$41,200	\$42,436
	TRS	\$5,304	\$5,463	\$5,627
	FICA & Medicare	\$2,980	\$3,069	\$3,161
	Total Cost (No Benefits)	\$48,284	\$49,733	\$51,224
Savings in Change from Full Time Special Education Director to Part Time CSE Chair		\$88,827	\$91,323	\$93,889
Projected Savings from Pharmacy Benefit Manager		\$26,345	\$28,716	\$31,301
Total Projected Savings		\$115,172	\$120,039	\$125,190
Savings Requirement (1% of 2013-14 Tax Levy)		\$85,233	\$85,233	\$85,233

Draft 2: 2015-16 Budget

Goals Set by the Board of Education

- **Stay within the tax cap**
- **Maintain Quality Programs and Facilities**
- **Meet Mandated Requirements**

General Support

- Increase for website redesign

	2014-15 Budget	2015-16 Proposed Budget	Change	Percentage Change
General Support	\$765,561	\$732,400	(\$33,161)	-4.33%

Instructional Budget

- Decrease for Career and Technical Education
- Increase for Supplies and Materials

	2014-15 Budget	2015-16 Proposed Budget	Change	Percentage Change
Instructional	\$4,006,370	\$4,114,818	\$108,447	2.71%

Undistributed Expenses

- TRS- Rate decreasing to 13.26%
- Health Insurance- Lower Projected Increase

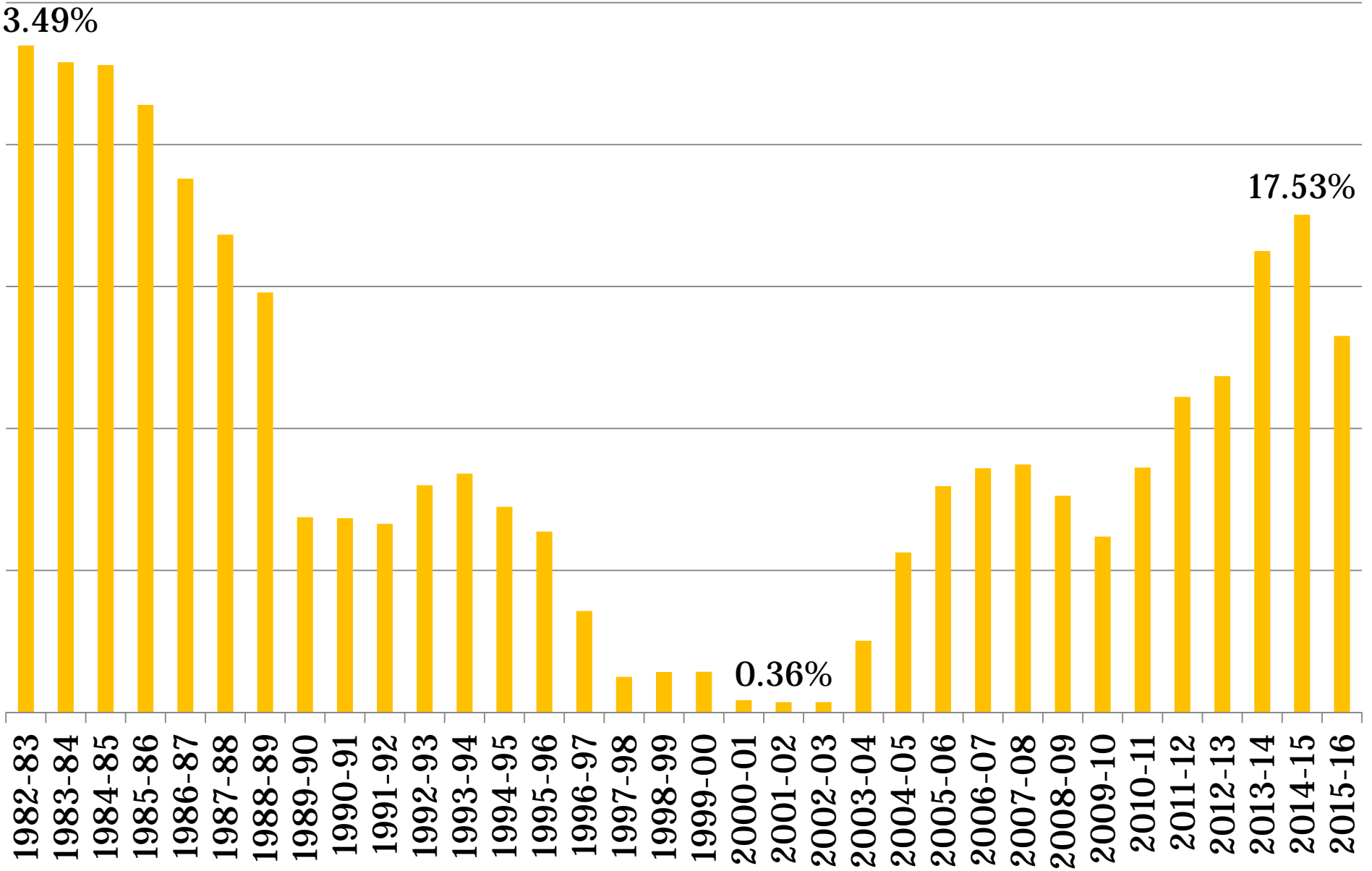
Historical TRS Employer Contribution Rates

23.49%

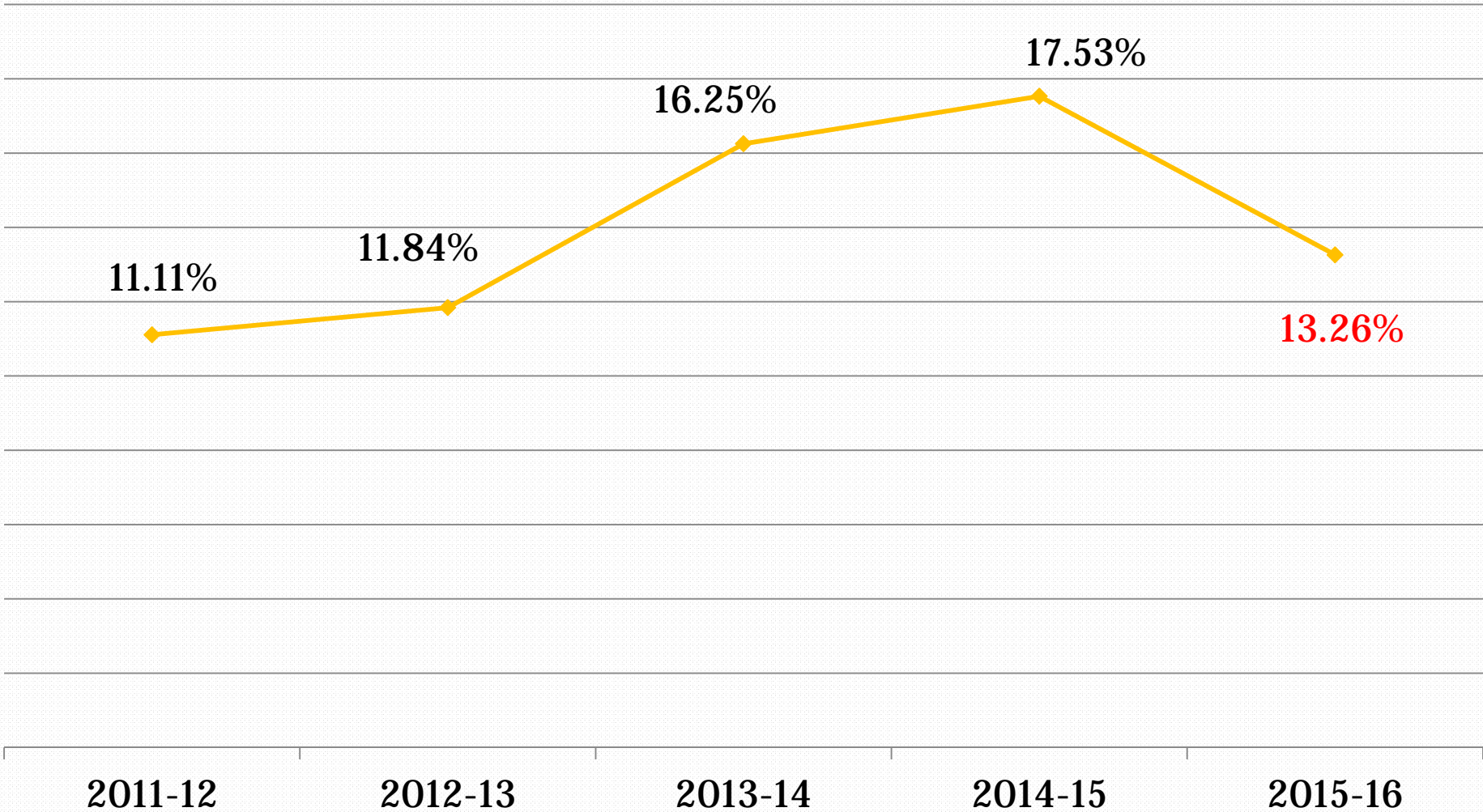
17.53%

0.36%

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2015-16



5 Year Trend TRS Employer Contribution Rates



- 2015-16 Contribution is an estimated rate

How the Health Insurance Trust Works for NLCSD

- 23 Component Districts pool together to get better pricing from insurers
- Districts pool together to prevent a large one year loss
- Based on prior year claims- each district is assigned to a Tier or Bucket
- Segal (Consultant hired by the Trust)- challenges Blue Shield to actual claims paid by Blue Shield for the previous year
- If the amount paid in premiums exceeds claims for the entire trust, all districts whose claims did not exceed premiums are issued a dividend, if the claims for the entire trust exceed premiums then the Trust absorbs the difference

Health Insurance Costs for NLCSD

- Projected Increase of 2% for Medical and 2% for Prescription (National Trend of 7.1% for Medical and 9.8% for Prescription)
- Based on actual claims we fall into the Super Low Tier for the Health Trust which is used to determine premiums
- Additionally we have achieved movement with our different bargaining units to the Preferred PPO 815 plan (Short term and Long Term Benefit OPEB)

Health Insurance Trust Update

- RCG Health Trust Finished 2013-14 year in a deficit **(\$469,926)**
- The Trust will use Fund Balance to pay deficit/ Districts will not be required to pay additional funds
- There will be no Dividend due to districts based on 2013-14
- New Lebanon will still receive a Dividend in 2015-16, 2016-17, and 2017-18 (Based on the results of 2010-11, 2011-12, 2012-13)

Undistributed Expenses

	2014-15 Budget	2015-16 Proposed Budget	Change	Percentage Change
Undistributed Expenses	\$4,594,446	\$4,711,171	\$116,726	2.54%

Budget Summary

	2014-15	2015-16	Difference	% Change
Budget	\$12,765,996	\$12,656,659	(\$109,337)	-0.86%
Revenue	\$3,911,652			
Appropriated Fund Balance	\$331,000			
Levy Amount	\$8,523,344			

Questions

