



Maintaining Good Schools in the Worst Economy since the Great Depression

A Community Forum on the Nearly Complete 2010-11 Budget

Burnt Hills-Ballston Lake Board of Education

Community Budget Forum & Online Meeting

March 25, 2010



Tonight's agenda

- 1. Welcome & explanation of tonight's meeting**
Board of Education Vice President John Blowers
- 2. Superintendent's Recommended Budget:** *Superintendent Jim Schultz*
 - BH-BL budget basics
 - 5 budget crisis response strategies
 - Reductions included in the recommended budget (Tiers 1 & 2)
- 3. District strengths & what about Tiers 3 & 4**
Assistant Superintendent Rick Evans
- 4. Brief questions & answers with the Superintendent**
- 5. Break into small groups to discuss the Focus Questions**



Tonight's process


- We are using online meeting software that allows people to participate from home.
- We need to share much information, then collect YOUR input.
 - Content questions: write these on your 3 x 5 cards & turn in. (Online viewers: type questions in your “Q & A Chat” box)
 - Mr. Schultz will answer some frequent questions before we go into small groups. (And be available as long as is needed at end.)
- Small groups: purpose is to allow everyone to be heard & give input to the Board, especially on the Focus Questions.
- At end, please remember to turn in your input forms -- either to your facilitator or leave them in the blue box in cafetorium.



Ways to stay connected

1. Come to meetings
2. View website where each step is posted: bhbl.org →
3. Sign up for budget "SNN" email alerts. (see website to do this)


January 31, 2010




2010-11 Budget Development

Creating the budget for the coming school year is a process that Board of Education members and district administrators work on for more than five months every year.

At the bottom of this page is a description of the overall process. We will also post information on each step of the 2010-11 process in the chart below, as that information is available.

 *Note: Budget steps below are arranged chronologically. Please scroll DOWN to view the most recent items.*

Steps taken in developing the 2010-11 Budget
• 2010-11 Budget Objectives and Context . (Jan. 2010)
• Budget Development CALENDAR . (Jan. 2010) Specific dates & upcoming steps in this year's process. For easier printing, see also the one-page pdf version of the same information in the Budget Development & Communications Plan .
• Press release on Preliminary 2010-11 budget numbers and the February 2 Community Budget Forum . (posted January 27)
• Details and description of how to participate in Budget Forums via your computer
• All about the BH-BL Legislative Task Force



Burnt Hills-Ballston Lake Central Schools
Ensuring opportunities for learning, personal growth & social responsibility

2010-11 Budget Development & Communications Plan

Context for the 2010-11 Budget

Last year's unprecedented economic problems continue, and Burnt Hills-Ballston Lake taxpayers are feeling the impact. The ongoing recession and uncertainty regarding the State's 2010 budget will make developing the upcoming school budget especially difficult.

Below are some factors that will impact development of the BH-BL budget. (Note: Every \$123,000 in new expense that is not balanced by new revenue or reductions elsewhere in the budget results in roughly a 1% increase in the property tax levy.)

- Many families in the district are increasingly stretched financially, and state unemployment is at its highest rate in years.
- The state is facing a \$1 billion budget deficit in 2010. State aid to BH-BL may decline by \$1 million or more, and the value of STAR tax exemptions may decline again as well.
- Other non-tax revenue sources will be lower as well. Interest on investments remains low and Medicaid reimbursements are expected to decline still further. In 2010-11, BH-BL will also lose \$70,000 in rental income at the Hostetter Building.
- School districts have been told that the federal stimulus dollars the state is currently using to pay operating aid will end in 2011, potentially creating a funding cliff. In other words, we believe that 2011-12 will be even worse than 2010-11, and the Board of Education would be irresponsible not to tackle this as at least a two-year problem.
- Required pension costs will increase by an estimated 3 percent or more in 2010-11 due to stock market losses.
- Maintaining a comprehensive instructional program will require creativity and some different or reduced program delivery. This will be particularly challenging when our schools are already feeling the impact of more than \$1 million in cuts made in the 2009-10 budget.
- School infrastructure needs must be addressed even in tough economic times.
- Unlike many Suburban Council school districts, BH-BL has very little commercial development, and our tax base is 95 - 98% residential.

Budget Objectives

In developing the 2010-11 budget, the Board of Education will:

- Collaboratively develop and implement new strategies to deliver a comprehensive education program and needed services at a lower cost. Doing this will require differentiating between essential programs and services as opposed to those that are desired program enhancements.
- Continue to ensure that BH-BL graduates can compete in a demanding and technologically sophisticated global marketplace.
- Work to spread reductions across the entire district with departments, programs, and schools being expected to share the pain.
- Reassure residents and staff that, even in extreme financial times, BH-BL can still deliver a high quality education if we all agree to make sacrifices and work together to do just that.
- Engage the community to develop solutions for areas where the district may reduce services.
- Urge state legislators to respond to our budgetary concerns with action.

Calendar of Budget & Election Activities

Nov 10 & 24	Budget process discussed at Board meetings. Note: Budget development and communication will be an agenda item at all regular Board meetings from now until the May 18 vote.
Dec. 15 - Tu	Approve budget calendar at Board meeting. 7:30 High School
Dec. 16 - F	Schools & managers submit budget requests to Business Office
Jan. - Feb.	Board members discuss the budget & budget process at PTA meetings
Jan. 10 - Tu	Finance Committee. 7:30 High School
Jan. 22 - F	Completed budget requests & relevance materials distributed to Board members
Jan. 29 - Th	Finance Committee. 7:30 High School
Feb. 2 - Tu	Public Forum on Fiscal Realities. 7:30 High School Library - also broadcast live online
Feb. 24 - W	Finance Committee. 7:30 High School
Mar. 2 - Tu	Public Forum on the Preliminary Budget. 7:30 High School Library
March 9 - Tu	Approve any revisions & notice of the annual mtg. at Board meeting. 7:30 Student Directory
March 12 - F	Superintendent's recommendations distributed to Board members
March 16 - Tu	Present Superintendent's recommendations at Finance Committee. 7:30 High School Library
Mar. 26 - Th	Public Budget Forum. 7:30 East Shelville Ave. Hall, Room 35
Mar. 31 - W	Finance Committee. 7:30 High School Library
April 1 - Th	Board members receive draft budget newsletter
April 10 - Tu	Adoption of the Proposed 2010-11 Budget at regular Board meeting. 7:30 Family Elementary
mid-April to mid-May	Reach out to school & community groups about the Budget
April 10 - M	Board of Education candidates' filing deadline
April 20 - Tu	Budget newsletter goes to press
April 27 - Tu	Budget Hearing as part of regular Board of Education meeting. 7:30 High School
April 29 - Th	Budget newsletter mailed to residents
May 4 - Tu	Meet the Candidates night. 7:30 High School Library
May 11 - Tu	Budget Hearing as part of regular Board of Education meeting. 7:30 High School
May 12 - W	Elementary Walkabout. 7:00 at all three schools
May 18 - Tu	Public Budget Vote. 7:00 am - 8:00 pm. High School gymnasium



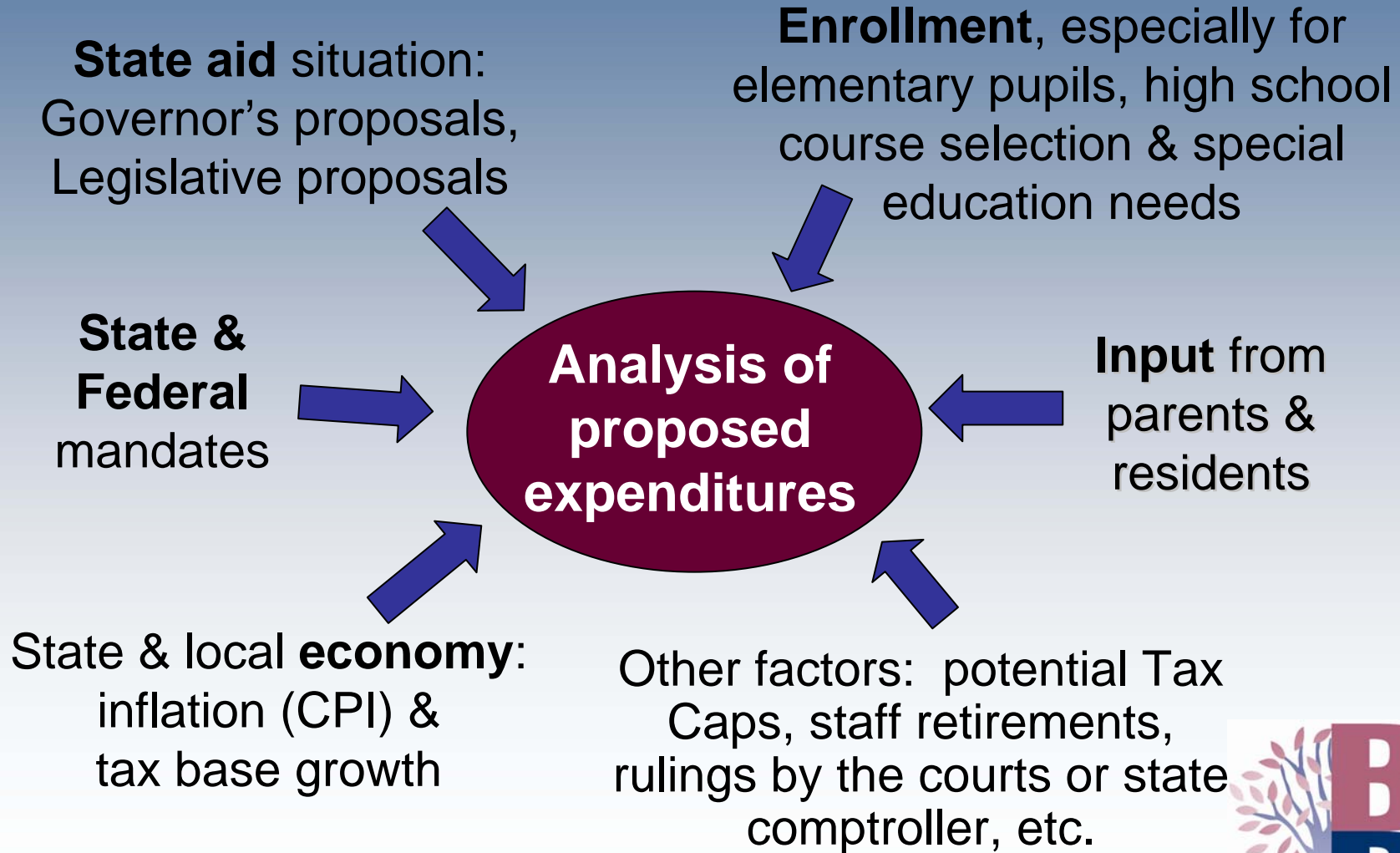
The BH-BL Legislative Task Force has been lobbying state leaders

- More than 20 BH-BL folks helping us lobby Albany more effectively this year than ever.
- Board of Education's position paper & talking points are available. Send your own letter or adapt the Board's.
- Important to tell legislators what will benefit our kids & our community.
- This may include:
 - Calling or sending letters to legislators
 - Visiting them in Albany along with district officials
 - Attending rallies in Albany



Budget Basics:

How do we build the school budget?

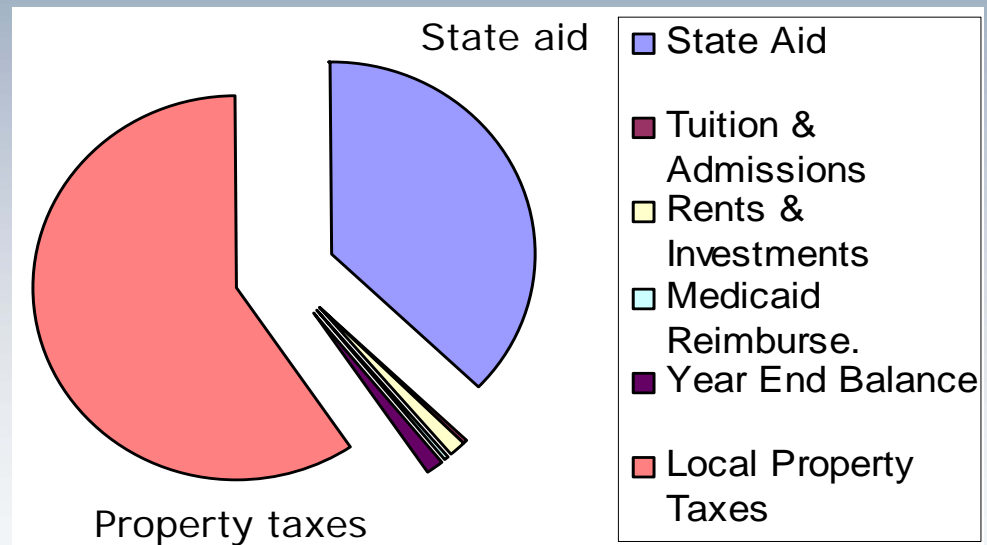


Budget Basics:

Where does our money come from?

- State Aid: 36%
- Property taxes: 61%
- Other: 2%
(Interest, rent, fees, tuition, admissions, Medicaid)
- Year-end fund balance 1%

BH-BL Income Sources for 2009-10



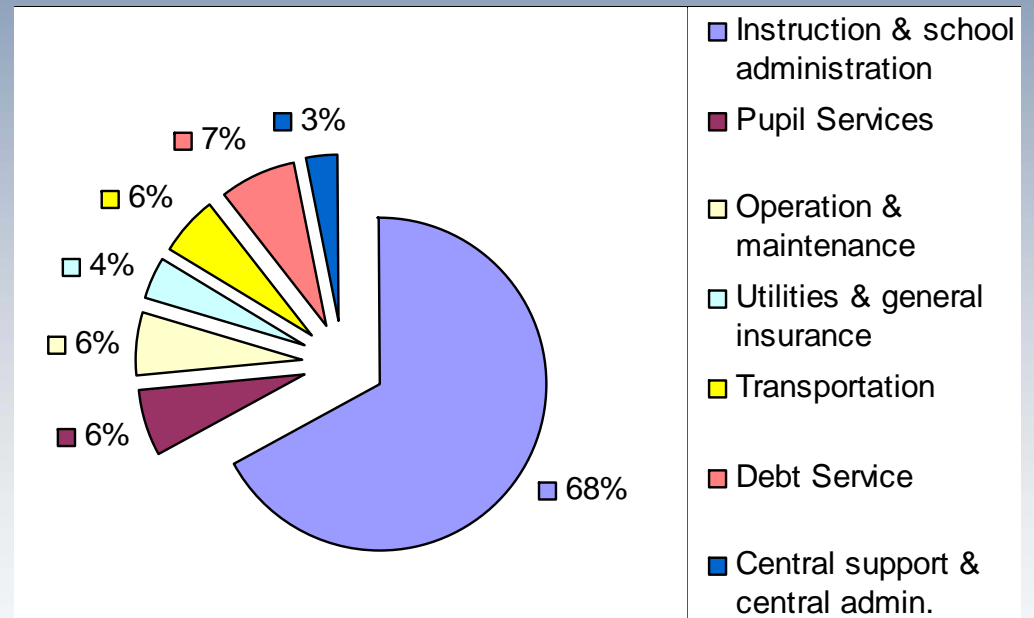
Budget Basics:

What is our money used for?

- Instruction & school administration: 68%
- Pupil Services (library, sports, guidance & health): 6%
- Operation & Maintenance: 6%
- Utilities & general insurance: 4%
- Transportation: 6%
- Debt Service: 7%
- Central support & central administration: 3%

BH-BL Expenses for 2009-10

(read clockwise from top)



The 2010-11 Preliminary Budget: Our starting point in January

Assuming all current programs, services & staffing were rolled forward one year:

2010-11 Preliminary Budget	\$54,951,467
Increase from current budget:	
Dollar increase from 09-10	\$1,582,607
Percent increase from 09-10	2.97%



What costs are increasing in the preliminary budget?

	<u>Increase</u>	<u>% change year to year</u>	<u>Portion of increase</u>
1. Staff salaries	\$802,084	2.7%	51%
2. Staff benefits, including	\$596,248	5.3%	38%
– Mandatory retirement contributions			
– Health insurance			
– Social Security			
3. Maintenance & utilities	\$97,000	3.9%	6%
4. BOCES services	\$54,589	2.0%	3%
5. Debt service	\$21,043	0.5%	1%

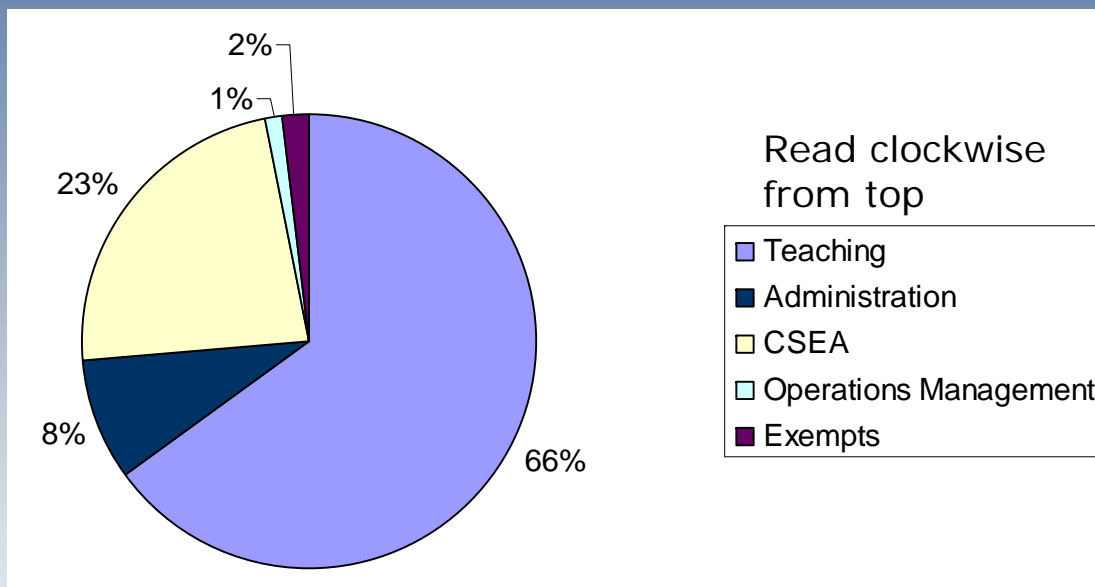
These 5 areas constitute 99% of the total \$1.6 million preliminary budget increase.



Total Projected Contract Salary Costs for 2010-11

(based on preliminary budget — before any potential reductions)

- Teachers: 66%
- Administrators: 8%
- CSEA: 23%
- Operations Management (support staff supervisors): 1%
- Exempt clerical: 2%



For comparison: BH-BL Administrative costs per pupil ranked 75 out of 76 Capital Region school districts

BH-BL Instructional costs per pupil ranked 56 out of 76

Source = Office of State Comptroller / Empire Center for NYS Policy; ranked highest to lowest using 2007-08 data (most recent available)

How would Gov. Paterson's proposals affect BH-BL?

- Would cut state aid to school districts by an average of 5 % depending on various wealth measurements
- Would cut BH-BL aid by 8.5% or \$1.6 million
- Combine this with the fact that rolling current programs, services & contracts forward one year would increase costs more than \$1.6 million
- Therefore, we need to reduce costs or face as much as a 6.9 % tax levy increase WITH the application of \$1 million from the fund balance



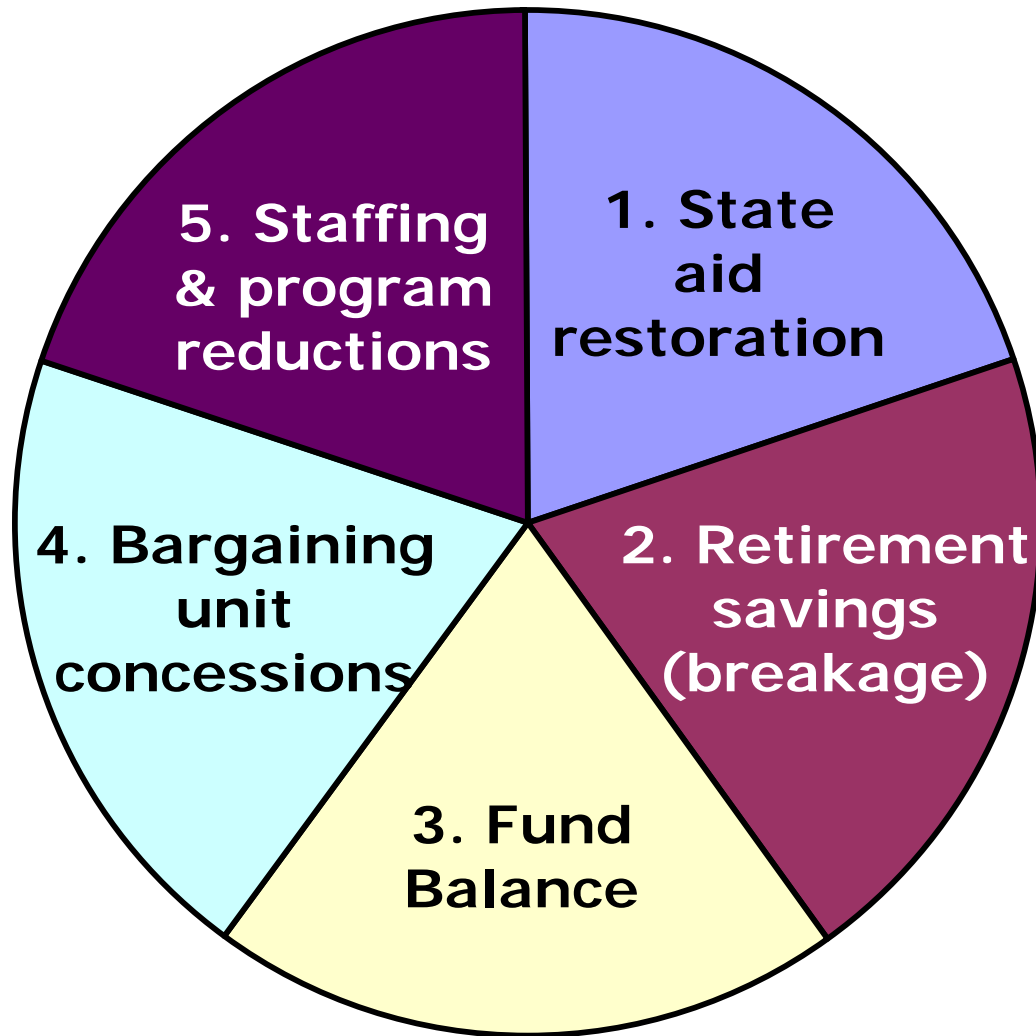
Overview:

How do we control costs annually at BH-BL?

- Finding new ways to operate more efficiently & less expensively. Examples:
 - Cooperatively bidding for supplies as part of a large group
 - Competitive bids
 - Energy savings proposals
 - Less expensive procedures
 - Health Insurance Committee proposals
- Seeking grants (from state & federal government, Education Foundation, etc.)
- Increasing user fees where appropriate
- Encouraging support & gifts from local businesses, community groups & booster clubs
- Consider not filling vacated staff positions



5 Primary Budget Crisis Response Strategies



- Schools have 5 major ways to get more money for the budget — besides taxes
- These are interrelated: the size of each piece impacts the needed size of the others.

Response Strategy #2: **Savings from staff retirements**

- New staff are typically less experienced and have lower salaries than long time staff
- Retirement incentive offered to BH-BL teachers and administrators will save us \$200,000 in 2010-11.
- Retirement incentive offered to CSEA (support staff). Deadline is midnight tonight. Hoping for more savings here.



Response Strategy #3:

What about the Fund Balances the Governor says schools can use?

- Of course BH-BL has some money for “rainy days” & unexpected emergencies.
- It would be irresponsible not to, because surprises happen every year. Examples of recent surprises where we needed to use the unreserved (i.e. undesignated) rainy day fund:

2008-09:

- \$480K for DEC-mandated reconstruction of bus wash bay drainage system
- \$75K to fix problems from defective batch of gym floor finish

2009-10: potential use

- Governor’s announced state aid payment delay/reduction last December



Response Strategy #3:

The “Rainy Day” has arrived !

- Current unreserved balance = \$2,000,000
- Need to remember that the state aid picture in 2011-12 could be even worse than in 2010-11 because the federal stimulus \$\$ will be gone.
- Plan is:
 - Apply \$1,000,000 to the 2010-11 budget
 - Apply \$1,000,000 to the 2011-12 budget



Response Strategy #4: **Staff Concessions**

Pulling together in difficult times for multi-year savings:

- All bargaining units:
 - Currently exploring multi-year savings through a Medicare Advantage program: could create significant savings (up to \$250,000 over several years)
 - Teachers, Administrators & CSEA 2 years ago accepted increased health insurance co-pay (\$25 per visit). This year = reduced # of health insurance plans (no more MVP), bringing a savings of \$111,000
- Contract settlements:
 - Included give backs in past year
 - Lowest increase in new money
 - Superintendent: gave back 4 days of pay & other benefits
 - Discussion is ongoing



Response Strategy #5:

Reducing programs & staffing

Reducing the preliminary 2010-11 budget won't be easy when so many cuts were already made in the 2009-10 budget :

- Overall, \$1 million reduction in staffing & program costs
- Current year staff reductions of 16.8 FTE
 - Mixture of full-time & part-time cuts impacting 30 people



Process used to find reductions in the Superintendent's Recommended Budget

- January: began meeting with school principals (primary budget managers)
 - Set reduction amounts per level
 - Asked for their cut suggestions in priority order by tiers
- Meetings to discuss and refine reduction ideas:
 - Regular Board of Ed meetings + 3 Finance Comm. meetings
 - 3 Budget Forums with the community
 - Listening to student concerns at Board / Student Government Organization meeting
 - Numerous admin. meetings to check & research data, impacts
- Superintendent uses feedback to revise & reorder items in list of proposed reductions 4 times
 - Updated versions posted on website: Feb. 26, March 1, March 9 & March 16
 - Budget Updates sent to staff 6 times to date



Overview of Superintendent's Recommended Budget

2010-11 Supt's Recommended Budget = \$53,406,188

Change from the current year:

- Dollar increase from '09-10 \$37,328
- Percent increase from '09-10 0.07%
- Probable tax levy increase* 2.2%*
- Reduction of 24.6 full time equivalent positions (FTE)
- Spreads reductions across most program / service areas (especially in a 2-year perspective)
- Will change delivery of program
- Attempts to balance students' needs with the community's economic reality

* Assuming we lose aid as per the Governor's proposal



Recommended Budget = Tier 1 + Tier 2 reductions

47 items including:

Material Things:

Cut equipment & supply codes already frozen for 2 years.
Don't replace 13-year-old snow plow. Sports uniforms.

Services & Programs:

- Loss of Open Door program for 1st graders, Career Fair
- Cut staff development & several summer services
- Fewer field trips, sports scrimmages, non-league sports competitions
- BOCES STEP program for suspended pupils

Revenue increases:

Fee increases for community groups to use school facilities,
restructure community swim class hours

(Continued)

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Staffing cuts in recommended budget

- Total of 24.6 positions in FTEs
- Reduced K-12 curriculum structure (resulting in less curriculum oversight, development & continuity): Eliminate 1 district dept. head & middle school teacher leaders
- Loss of elementary, middle school & high school teachers (including impact on class sizes & reductions in most curric. areas)
- Loss of some monitors & teacher assistants
- Loss of a secondary librarian & 3 elementary library clerks
- Loss of some custodial & clerical positions



Staffing reductions in recommended budget

	Teachers (currently 274 FTE)	Support Staff (currently 292 positions)	Administrators (currently 21 FTE)
Proposed position reductions in Tiers 1 + 2	3.6% of current staff (10 FTE)	4.6% of current staff (13.4 FTE)	5.7% of current staff (1.2 FTE)



Teacher
reductions
by level

- 3.0 FTE Elementary
- 3.2 FTE Middle School
- 3.8 FTE High School



Fiscal realities in other districts

District	Potential Staffing Reductions
BH-BL	24.6 FTE
Bethlehem	27.6 FTE
East Greenbush	58 FTE
Guilderland	81 FTE
Ravena-Coeymans-Selkirk	44 FTE
Scotia-Glenville	22 FTE



Tax Impact of the Supt's Recommended Budget

Based on Governor's proposed \$1.6 million cut in aid to BH-BL, our overall tax levy would need to increase by **2.2%** to balance the Supt's recommended budget.

What could this mean for BH-BL homeowners?

Using 2009 equalization rates, the impact of the recommended budget on the **median assessed value home** in each of our 4 towns would be tax increases of approximately \$66 – 88.

Unknowns still to impact this:

1. How much state aid will BH-BL actually receive?
2. What will new town equalization rates be in August 2010?
3. What changes will the Legislature make on the value of homeowners' STAR exemptions?



Understanding a Contingency budget: What happens if the Board doesn't come up a budget that BH-BL voters will accept?

Contingency budget = what the Board adopts if the proposed budget is defeated twice at the polls.

State law regulates spending in a Contingency budget. The law sets a cap on district spending (tied to the CPI increase) & regulates how money can be used.

Governor's definition (January)	0% budget to budget increase
State Ed. Department definition	Was -0.4% budget to budget increase until yesterday, now 0%
Senate proposal for 5 year averaging	3% budget to budget increase

Contingent budget must be lower than budget defeated at the vote (subject to new SED interpretation)



How do we hold onto BH-BL Strengths?

High Student Achievement

- High state test results: grades 3 - 12
- Interscholastic sports
- Music & art awards
- Top graduation rates
- Both advanced career skills and enrichment for a balanced life

Strong Student Connections

- Community connections that last a lifetime
- Dropout prevention
- Extracurricular activities & clubs
- Local business partnerships & career internships
- Healthy uses of afterschool time



What if the Board needs to make more reductions beyond the Supt's recommended budget?

What items from Tiers 3 and 4 should the Board consider?

- Includes staffing, programs, and services
- Overall impact on students is greater here

Use this information in answering question # 2 on your input sheet.



Question & answer

- “What happens if BH-BL gets more state aid?”
 - Board of Ed discusses use of additional aid in 3 areas:
 1. Tax reduction
 2. Restoration of program
 3. Fund balance restoration (to hold down taxes in future)

- “When will we know & how can we give input?”
 - Aid reduction depends on Legislature. Assembly & Senate currently far apart.
 - Give input tonight in your small group



What happens next?

- March 31: Finance Committee meeting, *7:00 High School Library*
- April 13: Board votes on budget, *7:30 Pashley School*
- April 19: Board of Education candidates' filing deadline
- May 18: **Public vote on budget**, *7:00 AM to 9:00 PM in the High School gym*



Focus Questions for Community Input

1. If the public budget vote were held today, could you support the Superintendent's Recommended Budget (i.e. Tiers 1+2) with a budget-to-budget increase of 0.07% and a probable tax levy increase of 2.2%? Why or why not?
2. If the voters do not support the budget at the May 18 election and the Board of Education is forced to go to a lower budget, which further reductions from Tiers 3 + 4 should the district consider?
3. Since program & staffing reductions will be part of ANY 2010-11 school budget, what can individuals and community groups do to fill in the gaps and help BH-BL survive the current economic recession?



Process for small group discussions

- We thank the 6 BOCES Communications staff who volunteered to come facilitate groups tonight. (They work in other school districts -- here to keep the conversation moving, not to answer your questions.)
- Goal is to make opportunities for everyone to be heard respectfully.
- Board member or administrator is taking notes in each group to collect input. Remember to turn in your input forms too.
- Mr. Schultz will be in cafetorium to answer individual questions at the end.



Breaking into 10 small groups to discuss the Focus Questions

If your last name starts with:

Go to:

A – B

Room 130 Band room

C – D

Room 137 Chorus room

E – G

Room 128

H – J

Room 126

K – L

Room 125

M – N

Room 124

O – Q

Room 123

R – S

Room 122

T – V

Room 121

W – Z

Room 120

Online participants: Please hang on. We will be back to you in a couple minutes.



