

Budget Perspectives:



Diverse Points of
View in Search of
a New Balance

Burnt Hills-Ballston Lake Board of Education

Community Budget Forum & Online Meeting

March 2, 2010



Tonight's agenda

- 1. Welcome & explanation of tonight's meeting**
Board of Education Vice President John Blowers

- 2. Diverse Budget Perspectives** *Superintendent Jim Schultz*
 - BH-BL budget basics
 - The Governor's aid cut & how it could affect us
 - 5 budget crisis response strategies
 - Reductions being considered in the 2010-11 budget
 - Input needed on Focus Questions

- 3. Break into Small Groups to collect input**

- 4. Report out from groups (as time permits)**



Tonight's process


- We are using online meeting software that allows people to participate from home. Trying to be polite to both audiences: those in library & those participating from home
- We need to share a great deal of information & collect YOUR input.
 - Those in library, please write any questions on the Input Form you received with your handouts. Will try to get to these in small groups or later. Online viewers can type questions and comments in their “Q & A Chat” box
- Purpose of small groups is to allow everyone to be heard & give input to the Board, especially on the Focus Questions.
- Please remember to turn in your input forms at end or leave them in the blue box in library.



Ways to follow along & participate in budget development

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 2008-10 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 School Elementary
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 30
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 20 - 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



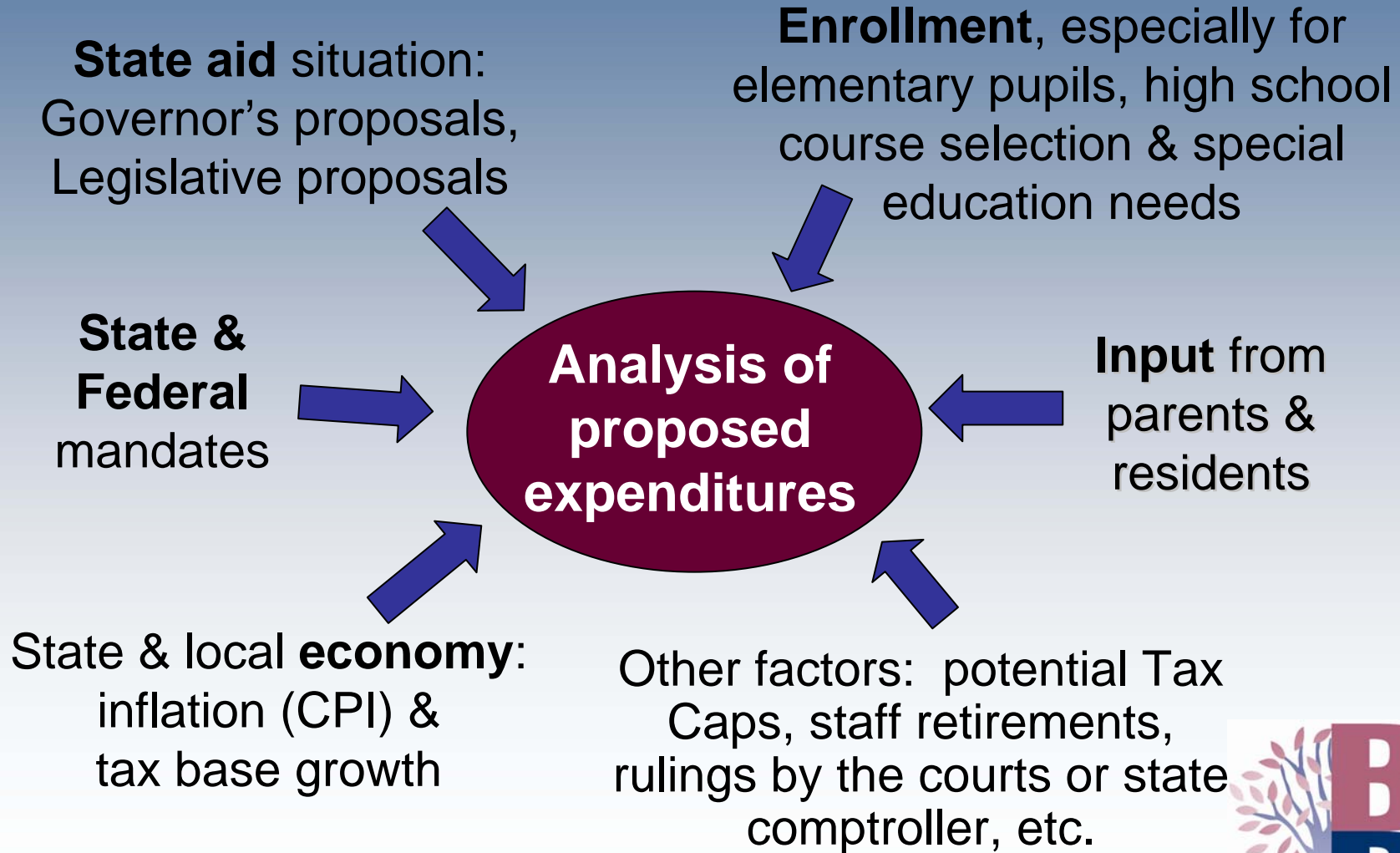
2010 Legislative Task Force members needed!

- Participation of more people can help us lobby Albany more effectively this year than ever.
- Draft position paper & talking points are now ready. Task force volunteers can help us 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
- Please sign up on the clipboard tonight



Budget Basics:

How do we build the school budget?

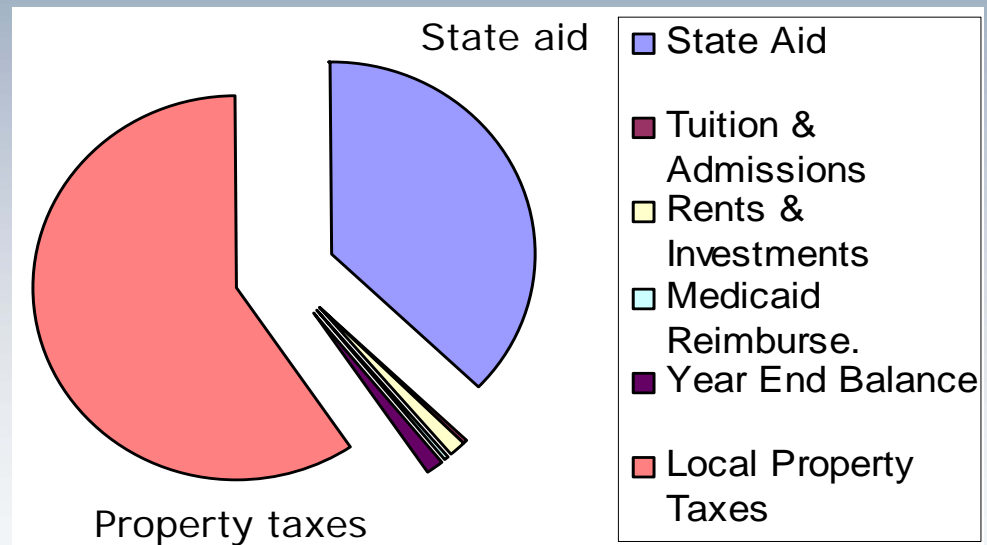


Budget Basics:

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



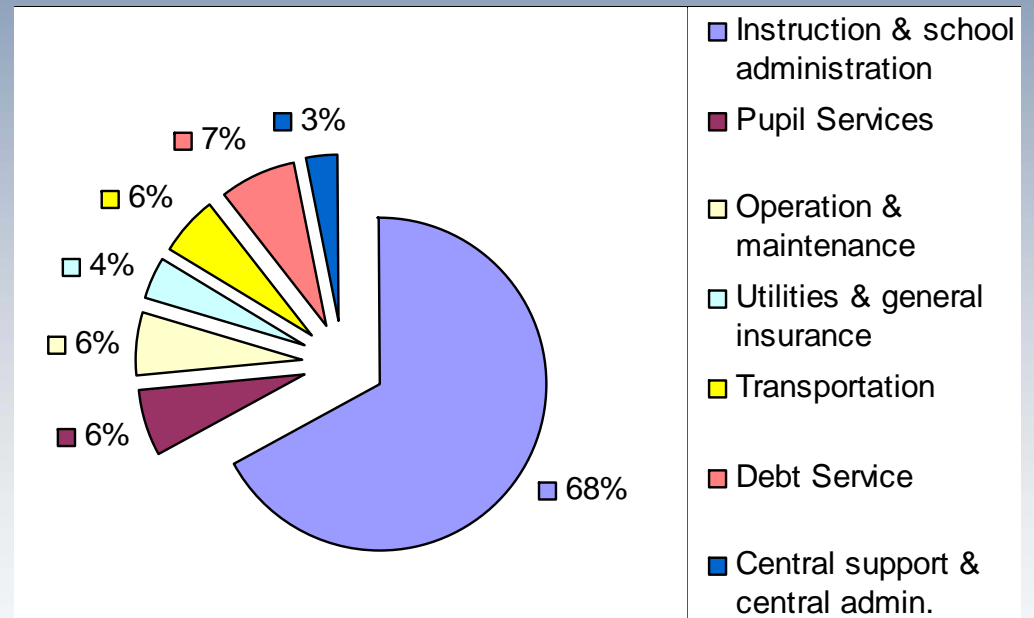
Budget Basics:

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)



2010-11 Preliminary Budget: Our starting point

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%

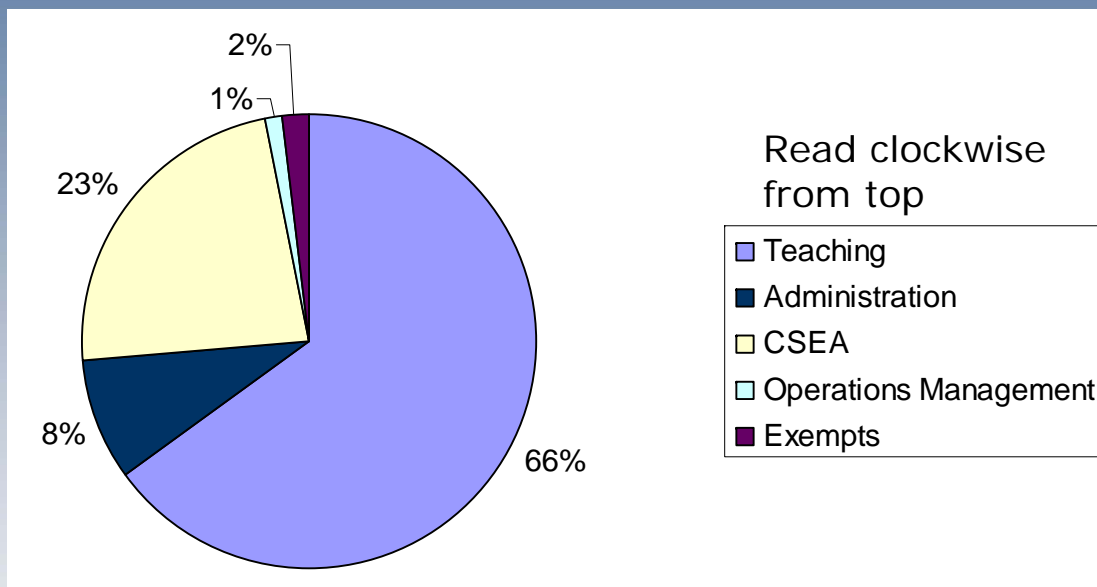
These 5 areas constitute 99% of the total \$1.6 million preliminary budget increase.



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

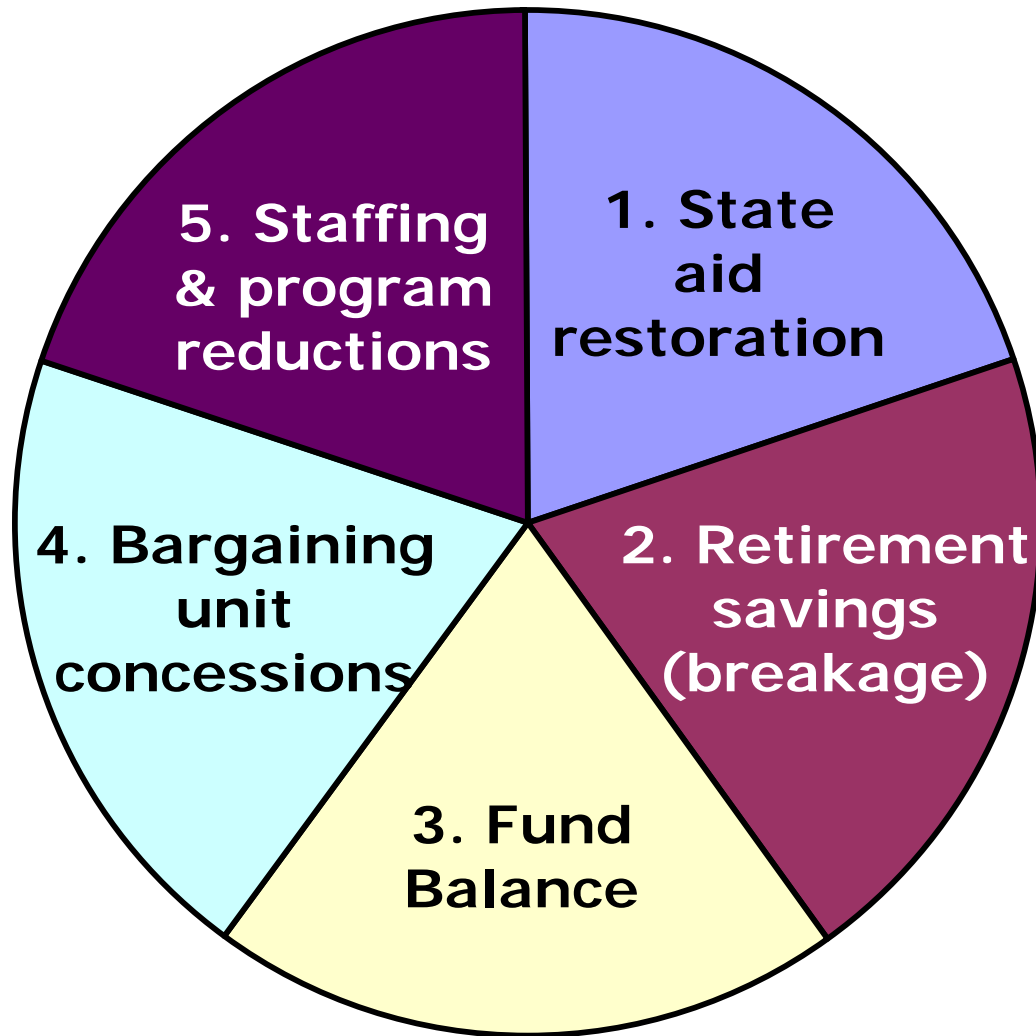


How do we control costs at BH-BL?

- Contract negotiations
- Finding new ways to operate more efficiently & less expensively.
Examples:
 - Cooperatively bidding for supplies as part of a large group
 - Competitive bids
 - Energy savings
 - 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 #1: State Aid Restoration

- The state is broke & Governor wants to cut \$1.6 million from BH-BL.
- We are actively lobbying for restoring some aid & other key measures to save BH-BL money.
- Is the Legislature even discussing this yet? Will we have an on-time state budget???
- ➡ Aid is unknown, but we can't wait to get to work on our budget, can't build a school budget on hopes & dreams.



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 teaches and administrators deadline was March 1. Will save us \$200,000 in 2010-11.
- Retirement incentive for CSEA will be offered to those staff in March.



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**

- **Superintendent:**
 - Gave back 4 days of pay from contract
 - Gave back retirement benefit
- **All staff:**
 - PPO / CDPHP increased health insurance co-pay (\$25 per visit)
 - Reduced # of health insurance plans (no more MVP), bringing a savings of \$111,000
- **Administrators Bargaining Unit:**
 - New contract includes retirement benefit give back
 - Lowest increase in new money
- **Teachers Bargaining Unit:**
 - Have asked them to consider: give back of salary, freeze, one hour of pay per pay period, partial increase over two years — something to add to the solution



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



Response Strategy #5:

How are cuts already impacting programs & pupils?

- Current year staff reductions of 16.8 FTE
 - Mixture of full-time & part-time cuts impacting 30 people, including net loss of:

2.0 custodians	2.0 bus drivers	4.0 special ed teacher assist.
0.5 staff development	0.5 social worker	1.5 computer teacher assist.
2.0 security/hall monitors	0.4 administrator	0.4 facilities coordinator
0.4 speech therapist	0.4 GED teacher	0.2 PACE teacher
0.5 tech support	0.4 BOCES tech	0.4 clerical
1.2 secondary teaching (art, FACs & business)		



Response Strategy #5:

How are cuts already impacting programs & pupils?

- Fewer students served in speech remediation
- Supplies/equipment frozen or reduced for two years
- Library materials cut by 20 %
- Fewer security monitors
- More crowded buses & longer rides
- Reduction of cleaning service
- Less art instruction at Middle School
- 4th level of interscholastic teams dropped



Response Strategy #5:

Overview of Possible Program & Staffing Cuts under discussion for 2010-11

- Possible reductions are arranged in 4 Tiers, to enable the school board to see the impact and ways to reach a decreasing tax levy as you go down through the list
- List is prioritized: Assumes Tier 1 would do the least damage to programs for children, so these items would be cut first, then Tier 2, etc.
- All figures on March 1 worksheet assume:
 - Loss of \$1.6 million in state aid as per the Governor
 - Current contract terms before any new concessions
- A work in progress! Some items will be restructured, combined, dollar amounts changed, etc., as discussions proceed over next few weeks



Tier 1 reductions as of March 1

38 items including:

Material Things: Cut equipment & supply codes already frozen for 2 years

Services & Programs:

- Loss of Open Door program for 1st graders, Career Fair
- Field trips
- Sports scrimmages

Staffing:

- 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 (AIS) & high school teachers (including impact on class sizes & reductions in SOME curric. areas)
- Loss of secondary librarian & 3 elementary library clerks

Tier 1 summary: Reduce budget by \$1,142,556
Reduce tax levy increase to 3.44%



Tier 2 reductions as of March 1

7 items including:

Material Things: Cut more equipment & supply codes already frozen for 2 years. Don't replace 13-year-old dump truck/sander/snow plow

Services & Programs:

- Loss of BOCES STEP program for suspended pupils
- Fewer BOCES CTE vocational slots
- Cut staff development conference attendance

Staffing:

- Loss of 1 grade 6 teacher & 1.55 FTE high school teachers (larger class sizes & fewer high school courses offered)

Tier 2 summary: Further reduce budget by \$248,550
Reduce tax levy increase to 2.68%



Understanding Tier 3 & Contingency budget: What happens if the Board doesn't come up a budget that BH-BL voters will accept?

- This year, contingent budget rules require a 0% budget to budget increase
- A zero budget increase over the current year:
 - Would still result in a 2% tax levy increase (if the Governor's proposed state aid reduction of \$1.6 million in revenue occurs)
 - Tier 3 reductions are designed to get us to a contingent budget



Tier 3 reductions as of March 1

12 items including:

Material Things: Pull planned restoration of \$\$ for sports uniforms

Services & Programs:

- Cut non-league sports competition costs
- Cut drama productions & support for student clubs
- Eliminate Activity Period buses 1 day per week

Staffing:

- Loss of elementary computer lab assistants & 0.5 social worker
- Cut more secondary teachers. Now resulting in bigger class sizes & reductions in ALL curricular areas

Tier 2 summary: Further reduce budget by \$215,956 (= Contingent budget)
Reduce tax levy increase to 2.0%



Summary data for staffing reductions in Tiers 1, 2 and 3

	Teachers (currently 274 FTE)	Support Staff (currently 292 positions)	Administrators (currently 21 FTE)
Proposed position reductions in Tiers 1-3	4.4% of current staff (12.1 FTE)	5.1% of current staff (14.9 FTE)	5.7% of current staff (1.2 FTE)
Cost savings (salary + benefits)	\$815,998	\$461,129	\$140,000

Thoughts on going below a Contingent Budget

Thinking about this kind of drastic reduction in school programs makes us pause to ask:

What is it about BH-BL programs that we value the most?

- Regardless of what our individual tax bills may say, we need to remember that children only go through school once & schools exist to give children the best possible education & preparation for life.
- This is a **community that values** & a **district that provides**:
 - Outstanding academic achievement
 - Top graduation rates
 - A comprehensive program with support for children with all types of interests & needs to keep them in school and learning successfully
 - Both advanced career skills and enrichment for a balanced life
 - Community connections that last a lifetime



Tier 4 reductions as of March 1:

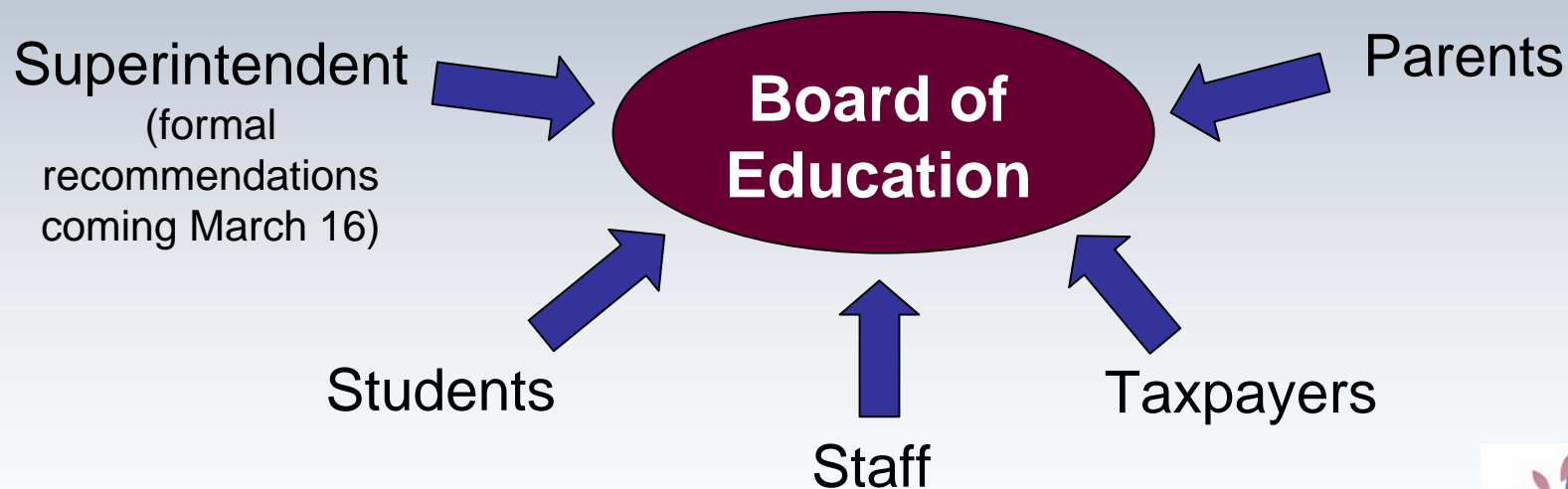
How could we get below this year's budget & get to a 0% tax levy increase?

- Proposed additional cuts of \$400,000 - \$600,000 to bring the tax levy increase to 0%
 - All modified & freshman level sports teams
 - Further reduction of summer school
 - Increased class sizes and reduced electives
 - Reduction of K-5 student services
 - Young Scholars BOCES program



Your role tonight is providing input to the Board of Education

The Board has the challenging task of representing ALL perspectives and constituencies when they make decisions on the budget. To do this they need input.



Focus Questions for Community Input

1. In the current situation, if you were a Board of Education member, where would you draw the line in the list of proposed reductions to get to a tax increase BH-BL voters can support? Which tiers of cuts would you support?
2. Which 5 items on the March 1 list of proposed reductions are you the most worried about losing? In other words, from your perspective which 5 changes should the Board of Education avoid making?



Breaking into small groups to discuss the Focus Questions

If your last name starts with:

A – D

E – I

J – N

O – S

T – Z

Go to:

Room 108

Room 109

Room 110

Room 111

Corner of library by windows

Online participants: We will be back to you in a minute.



What happens next?

March 16: Finance Committee meeting to discuss Superintendent's recommended budget, 7:00 *High School Library*

March 25: Public Forum on the Nearly Complete Budget 7:30 *East Glenville Fire Hall, Route 50*

March 31: Finance Committee meeting, 7:30 *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

