



Shoreham-Wading River
CENTRAL SCHOOL DISTRICT

Planning 2012-2013 Budget

Part 2

Superintendent Update



Shoreham-Wading River CENTRAL SCHOOL DISTRICT

Good News

The Increase In Health Insurance Premiums For 2012 Are Lower Than The Amount Budgeted

Rates Were Forecast by our Insurance Provider

NYSHIP Last Winter

- January 2011 Rate Increase 19.5%
- February 2011 Rate Increase 17 %

2011-2012 Budget was Adopted by the BOE April 2011

Using an Estimate of 17%

- November 2011 Rate Increase 5% - 6%
- December 2011 Final Rate Increase for 2012
 - Family Coverage – 2.71%
 - Individual Coverage – 3.23%
 - Retiree Coverage – 3.41% Average



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How Does This Unanticipated Change In Health Cost Affect The 2012-2013 Budget Forecast?

- The forecast amount for Health Insurance expense in 2012-2013 has been recalculated using actual rates for 2012 and a forecasted rate for 2013
 - GAP Reduction - \$962,771
- The money saved in 2011-2012 (Fund Balance) will be applied to the 2012-2013 Budget
 - Additional Applied Fund Balance - \$850,000
- Total effect from 1 unanticipated change - \$1,812,771



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Expenditures

<u>Expenditures</u>	2011-12 Budget	2012-13 Forecast	\$ Change
Salaries	29,389,050	30,549,544	1,160,495
Employee Benefits :			
ERS	1,008,304	1,113,506	105,202
TRS	2,773,056	3,452,117	679,061
Medical Insurance	7,410,182	7,410,716	534
Other Medical Benefits	1,258,207	1,295,953	37,746
Other Employee Benefits	811,965	836,324	24,359
Social Security (FICA & Medi)	2,275,961	2,337,040	61,079
MTA Payroll Tax	101,154	103,868	2,714
Other	14,948,920	15,360,018	411,098
Total Expenditure Budget	59,976,799	62,459,087	2,482,288

Assumptions:

Expenditures have been rolled over based on 2011-12 amounts with the exception of Health Insurance. It is calculated with 2012 Rates and 2013 forecasted rate.



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Expenditures

Budget Planning Continues?

- Building Principals & Department Heads are developing their budgets
- Enrollment projections are being analyzed to determine number of sections
- Contracts are being reviewed
 - Legal, Audit Services, Transportation, Insurance, Bargaining Agreements
- Options for outsourcing or sharing of services are being researched
 - Special Education Needs



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Revenues

<u>Revenues & Reserves</u>	2011-12 Budget	2012-13 Forecast	\$ Change
State Aid	7,829,683	7,829,683	-
Federal Aid	354,607		(354,607)
Other Local Revenue	2,444,949	2,444,949	-
Tax Levy	47,478,560		
2% Tax Levy Increase	2.00%	48,428,131	949,571
Total Revenue			594,964
Total - State Aid, Local and Tax Levy Revenue	58,107,799	58,702,763	594,964
<u>Variables</u>			
Apply Fund Balance	1,290,000	1,725,000	435,000
Apply PYSA	260,000	800,000	540,000
Apply ERS Reserve	294,000	105,202	(188,798)
Apply Unemployment Reserve		3,120	3,120
Apply Workers Compensation Reserve	25,000	13,200	(11,800)
Total Revenue & Reserves	59,976,799	61,349,285	1,372,486

Assumptions – State Aid remains at the 2011-2012 amount, and Local Revenue remains at the 2011-2012 budgeted amount.



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So, How Much Is The Gap At This Point in December 2011 ?

<u>Rollover Summary</u>	2011-12 Budget	2012-13 Forecast	\$ Change
Total Expenditure Budget	59,976,799	62,459,087	2,482,288
Total Revenue & Reserves	59,976,799	61,349,285	1,372,486
Shortfall	0	(1,109,802)	(1,109,802)
Contingent Budget			
Additional Reductions		(949,571)	
Total Shortfall		(2,059,373)	



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How Do We Fill This Smaller GAP?

Expenditures

- Continue to look for efficiencies in order to do more with less
- Refine forecasts and budget with tighter margins
 - Transportation, Insurance, Special Education

Revenues

- Increase rates charged for facilities use
- Grants

Fund Balance

- Continue to under spend the 2011-2012 budget and apply excess fund balance
- Allocate funds from the Unappropriated / Unassigned Fund Balance (The 4%)

Reserves

- Apply larger amounts of reserves
 - Employee Retirement System & Tax Stabilization (PYSA)



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We Can Not Forget:

- The new tax cap law **DOES NOT** cap an individuals tax bill to 2%.



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We Can Not Forget:

- The new tax cap law has established a **FORMULA** to calculate the maximum amount the tax levy can be increased by with a simple majority vote (greater than 50%.)
- But, since the formula contains **EXCLUSIONS**, it is possible for the tax levy increase to be **GREATER** than 2% with a simple majority vote of greater than 50%.

Exclusion Example:

Pension Cost Exemption – If the ERS contribution rate increase from 2011/12 to 2012/13 is greater than 2%, this year it is 2.6%, the .6% is considered an exclusion and is **OUTSIDE** the CAP.

For SWR, this amounts to \$30,714 above the 2% CAP



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We Can Not Forget:

- You will **READ** and **HEAR** that surrounding District's will have Tax Levy Rate increases **GREATER** than 2% still requiring only a vote of 50% or greater due to the **EXCLUSIONS** being different by district.



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