



Williamsville Central School District Long-Range Financial Plan and Reserve Plan Report

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Long-Range Financial Plan: Interpretation and Usage

- Reference tool for budget development
- Forecast of Revenue and Expense budgets
- Concentration of the Financial Impact on the relationship of expense changes in future budget years
- Information is at a point in time and will not be updated in the budget process

Balanced Budgeting Process Requirement

- New York State requires the Expense budget to equal the Revenue budget
- Each budget (fiscal year) must be approved by the Board of Education and the Community
- School districts must follow applicable State law regarding the budget process (ex. Budget restrictions, Public notice, Budget vote)

WCSD Budget Development Process

1. Determine program increase amounts to sustain programs
2. Review prior year budget expenditures
3. Estimate Total Revenue
4. Calculate difference between revenue and expense budgets
5. Implement efficiencies
6. Develop and discuss budget reduction options
7. Update of budget information
8. Include budget reductions in preliminary budget
9. Discuss preliminary budget
10. Approve preliminary budget and seek community approval



Revenue - Impact of Tax Cap

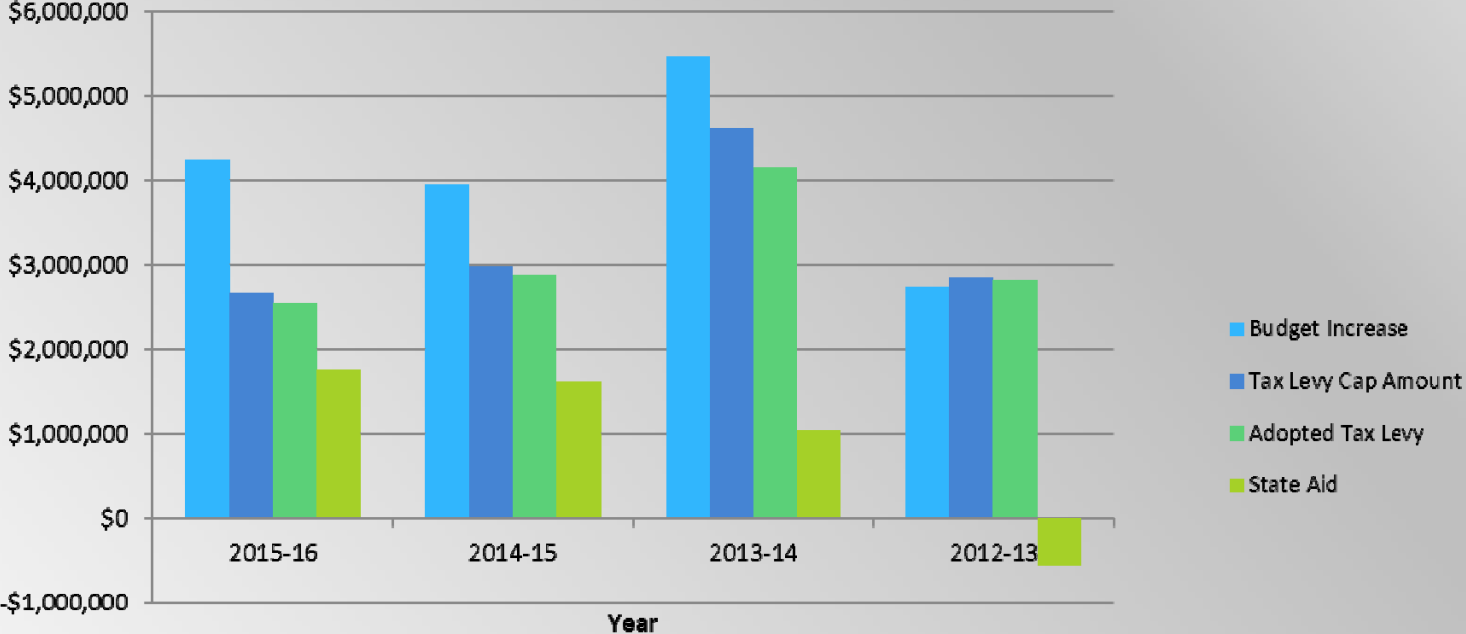
1. Although there is no tax levy increase limit for the District exceeding the calculated Tax Cap/Tax Threshold limit requires super-majority voter approval (60%)
2. A budget defeat allows only one revised budget vote
3. If there are two budget vote defeats, there is a mandated 0% levy increase

May 2014 – New York State Education Department

98.15% of school districts budgets passed that were under cap and of the school districts that exceeded the cap – 76% passed

Revenue – (Impact tax Cap/Threshold Law)

Budget Increases vs. Tax Cap/
Adopted Tax Levy and State Aid



Historical Change in Budget, Levy, with Budget Reduction Information

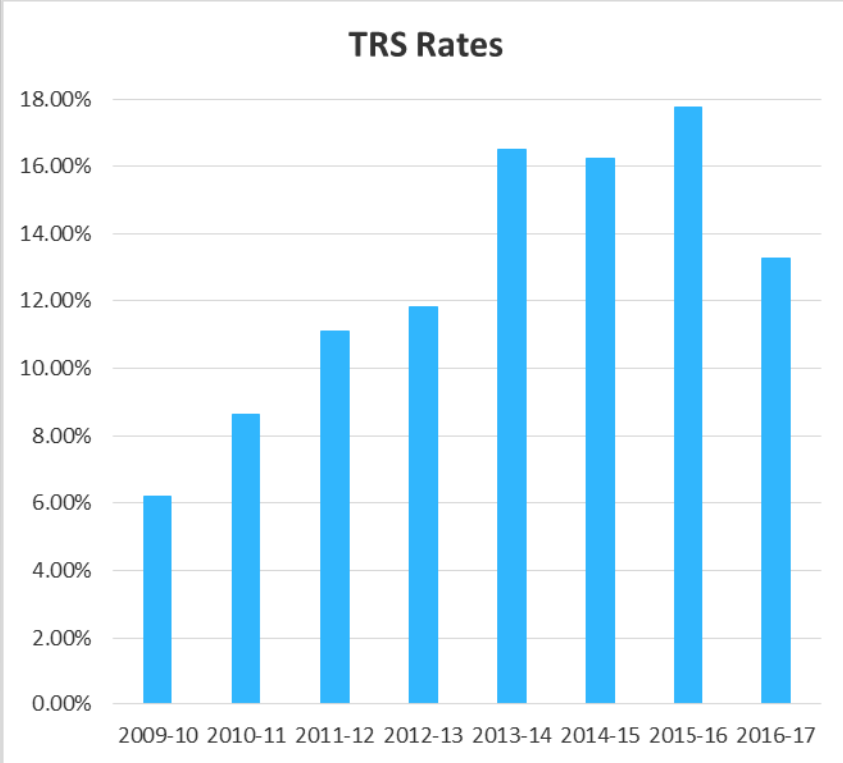
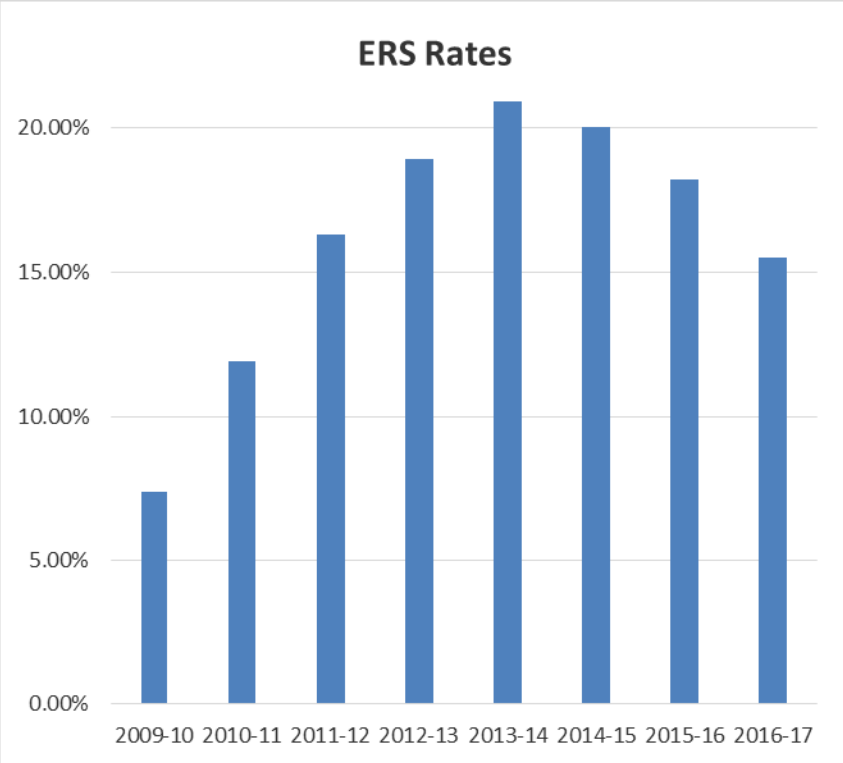
Historical Change In Budget and Levy after Reductions



Human Resources - Expense Drivers

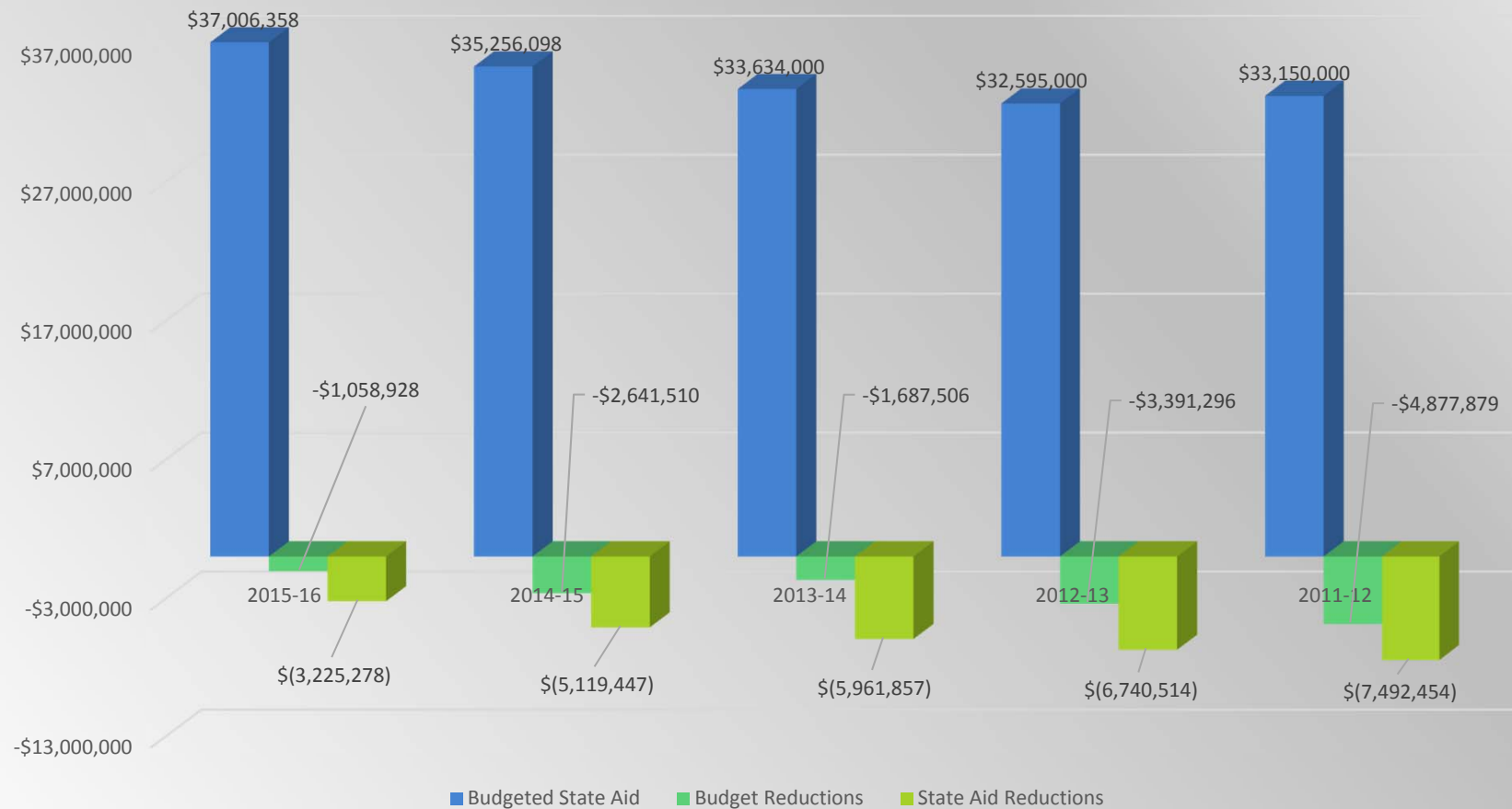
Human Resources Budget	Total Budget	Total Budgeted Salary	Salary % of Budget	Total Budgeted Benefits	Benefits % of Budget	Total Salary and Benefits	Salary & Benefits % of Total Budget
2006-07	\$139,104,702	\$ 83,153,060	59.8%	\$ 25,332,882	18.2%	\$ 108,485,942	78.0%
2007-08	\$145,255,205	\$ 86,282,914	59.4%	\$ 27,170,927	18.7%	\$ 113,453,841	78.1%
2008-09	\$151,217,615	\$ 88,709,443	58.7%	\$ 29,169,844	19.3%	\$ 117,879,287	78.0%
2009-10	\$154,737,216	\$ 91,096,686	58.9%	\$ 29,867,013	19.3%	\$ 120,963,699	78.2%
2010-11	\$159,291,824	\$ 94,183,152	59.1%	\$ 31,944,451	20.1%	\$ 126,127,603	79.2%
2011-12	\$161,813,545	\$ 91,987,964	56.8%	\$ 36,540,480	22.6%	\$ 128,528,444	79.4%
2012-13	\$164,545,249	\$ 93,304,071	56.7%	\$ 37,741,605	22.9%	\$ 131,045,676	79.6%
2013-14	\$170,003,254	\$ 94,744,126	55.7%	\$ 41,576,953	24.5%	\$ 136,321,079	80.2%
2014-15	\$173,956,594	\$ 96,178,682	55.3%	\$ 42,735,177	24.6%	\$ 138,913,859	79.9%
2015-16	\$178,199,516	\$ 98,603,454	55.3%	\$ 43,560,177	24.4%	\$ 142,163,631	79.8%

Human Resource Expense Drivers



Revenue Drivers - Loss of New York State Aid

Budgeted State Aid, Annual Budget and State Aid Reductions



Long-Range Forecast - Expense

- **Salary** – The forecasted increase ranges from 2.00%-3.25%.
- **Teacher and Employee Retirement Systems** – A decrease of \$500,000 is budgeted for each retirement system.
- **Health Insurance** – No increase is budgeted presently in 2016-17. Future increases are conservatively budgeted at 3.25% and 4.94%.
- **Utilities** – No change is made to any year of the forecast.
- **Facilities** – No increase or decreases are included to these budgets.
- **Transportation** – A transfer of \$356,000 is shown from the district provided bus service to the contractor bus service. There is an additional \$100,000 added to the contractor budget to fund the contract agreement that the District has with Student Transportation of America.

Long-Range Forecast - Revenue

- **State Aid** – New York State foundation aid is estimated to increase at approximately 2.0% each year.
 - Slight decreases in State Aid in future years due to the negative impact from decreases in enrollment
 - No GEA reductions are forecasted due to the political uncertainty for funding this item (\$3,225,278)
- **Sales Tax** – An average increase of \$68,750 is projected.
 - Loss of purchasing power of the Canadian dollar may result in lower sales tax revenues
- **Tax Levy** – The tax levy is projected under the tax cap/threshold amount
 - Average increase of 1.55% or about \$1,000,000 for 2016-17
- **Appropriated Reserves** - Decrease due to reductions in reserve balances in 2016-17.
 - Reduced \$150,000 in 2016-17 budget
- **Fund Balance** – No change in appropriation level - \$5,424,000

2015-16 - Prior Year Long-Range Plan

Long-Range Plan Summary

	2015-16	2016-17	2017-18	2018-19
Forecasted Revenue	\$ 177,428,865	\$ 179,975,009	\$ 182,675,577	\$ 185,357,656
Forecasted Expenses	\$ 177,471,619	\$ 181,942,359	\$ 186,294,067	\$ 190,791,873
Surplus/(Shortfall)	\$ (42,754)	\$ (1,967,350)	\$ (3,618,490)	\$ (5,434,217)

2016-17 – Current Year Long-Range Plan

Long-Range Plan Summary

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Forecasted Revenue	\$ 179,833,653	\$ 181,752,326	\$ 183,996,595	\$ 186,757,754
Forecasted Expense	\$ 180,312,020	\$ 183,261,488	\$ 186,250,054	\$ 189,620,911
Surplus/(Shortfall)	<u>\$ (478,367)</u>	<u>\$ (1,509,162)</u>	<u>\$ (2,253,459)</u>	<u>\$ (2,863,157)</u>

Long-Range Plan - Financial Summary

- **Revenue** – No major increases or reductions in revenue are projected in the plan, slight growth in State Aid and Tax Levies issued under the Tax Cap.
- **Expense** – Reflects reduction in retirement system increases and success in controlling health insurance increases through the self-funding model.
- **Affordable Health Care Act** – There are no significant increases in fees Total impact is not yet known to the District.
- **New Mandates** – Mandates that could detrimentally increase expenses and if tied to State Aid they could negatively affect future district budgets and instructional programs.

Long-Range Plan - Financial Summary

Three Key Points:

- Revenue budget dictates the expense reductions required to balance the budget
- Control of expense budget will continue to focus on salary, health insurance, NYS retirement system increases
- Gradually reduce reserve allocations to sustainable levels is critical to the district and its budget process

Long-Range Reserve Plan

- Ability to sustain/minimize program reductions temporarily until new revenue is found or budget is right-sized
- Need for the District to maintain reserve balances for self-funded expenses
- Acknowledge that reserve balances will diminish and not be a viable revenue option at a future point in time
- Long-range reserve plan transitions the appropriated reserve amounts to sustainable levels

**WILLIAMSVILLE CENTRAL SCHOOL DISTRICT
SUMMARY OF LONG RANGE
RESERVE PLAN - 2015**

	Reserve Balances 6/30/2015	Projected Reserve Balances 2019-20	Change
EMPLOYEE BENEFITS	\$ 10,413,350	\$ 9,413,350	\$ (1,000,000)
WORKERS COMPENSATION	3,736,742	3,436,742	(300,000)
UNEMPLOYMENT RESERVE	464,346	314,346	(150,000)
REPAIR RESERVE	5,292,965	4,892,965	(400,000)
RETIREMENT SYSTEM	8,238,825	7,038,825	(1,200,000)
HEALTH INSURANCE	2,170,863	2,170,863	-
UNASSIGNED	7,120,002	7,120,002	-
NONSPENDABLE	1,630,000	1,630,000	-
Total Appropriated Reserves	\$ 39,067,093	\$ 33,267,631	\$ (3,050,000)
	PERCENT REDUCTION		-7.81%

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT**Long-Range Reserve Plan****Appropriations**

	2015-16 Revenue <u>Appropriation</u>	2019-20 Revenue <u>Appropriation</u>	Reserve Appropriation <u>Change</u>
EMPLOYEE BENEFITS	\$ 400,000	\$ 250,000	\$ (150,000)
WORKERS COMPENSATION	600,000	450,000	(150,000)
UNEMPLOYMENT RESERVE	70,000	50,000	(20,000)
REPAIR RESERVE	330,000	300,000	(30,000)
RETIREMENT SYSTEM	2,450,000	2,450,000	-
INSURANCE	300,000		(300,000)
Total Appropriated Reserves	<u>\$ 4,150,000</u>	<u>\$ 3,500,000</u>	<u>\$ (650,000)</u>
	PERCENT REDUCTION		<u>-16%</u>

Conclusion: Long-Range Financial and Reserve Plan

1. Reiterate that the plan is projected at a fixed point in time
2. The plan should not be interpreted as a definite financial forecast
3. The plan is a tool to assist in decision making for current and future budgets

Future Long-Range Budgeting Goal:

Revenue increases = expense increases = budget stabilization

Creates Stability for the District's Educational Programs

