



## **2019-2020 Budget Planning**

*January 14, 2019*

*Board of Education Meeting*

## ***Rollover Budget***



## What is a “Rollover Budget?”

A rollover budget is an initial big picture look at the current year’s budget “rolled forward to the next year”

### What is in the rollover budget?

- All **current staffing** is moved to the next year, using general assumptions about salary increases for the particular bargaining unit
- Any **known** information regarding benefit rates and other costs are incorporated; unknowns are estimated

### What is **NOT** in the rollover budget?

- No staffing changes (additions or retirements)
- No new requests from district, buildings or departments (supplies, equipment, program changes, etc)
- No new initiatives (for example, addition of \$100,000 Capital Projects)



# Known Factors and Estimates of Expenses

- 3% increase salaries and Social Security costs (estimate)
- 11.5% total increase in health insurance costs
  - Known rates for CDPHP and Blue Shield
  - Estimates used for MVP and Prescription Costs
- 9% contribution rate for Teachers Retirement System (TRS)
  - Estimate of the projected rate of 8.5% - 9.5%
  - Current year rate is 10.63%
- 14.6% contribution for Employees Retirement System (ERS), down from 14.9% (estimate provided by ERS)
- 10% Increase in Workers Compensation (known)
- 5% Increase General Liability and Auto Insurance (estimate)
- 4% increase in BOCES costs (estimates based on individual service)
- 3% Increase in Special Education placement costs (Private and Public)





## Major Changes in Expenses

Salary Increases	\$820,000
Health Insurance	\$785,000
Teachers Retirement System	<i>-\$280,000</i>
Social Security	\$60,000
<u>Other (BOCES, ERS, insurance, etc)</u>	<u>\$415,000</u>
<b>Total</b>	<b>\$1,800,000</b>





## Major Changes in Revenue

Levy Growth Factor (2%, known)	\$550,000
Tax-Based Growth Factor (1.14%, known)	\$300,000
<u>State Aid (2.7% Foundation Aid, estimate)</u>	<u>\$370,000</u>
<b>Total</b>	<b>\$1,220,000</b>





## Rollover “GAP”

Increase in Expenses	\$1,800,000
----------------------	-------------

<u>Increase in Revenue</u>	<u>\$1,220,000</u>
----------------------------	--------------------

<b>Rollover “GAP”</b>	<b>*\$580,000</b>
-----------------------	-------------------

*\*This Gap is only for the change from the adopted 2018-19 budget to the rollover 2019-20 budget. It does not incorporate any operating deficit from the current year. The current year budget is expected to result in approximately an \$850,000 deficit. When the above rollover GAP is added to this, using current assumptions, it is projected that the 2019-20 budget would result in a deficit of approximately \$1,430,000.*





## Next Steps

### Expenses

- Incorporate requests from district, buildings and departments from submitted budgets
- Update all known staffing information; will be continuous throughout budget process
- Update benefits as factors become known (insurance, TRS final rate, prescriptions, etc)

### Revenue

- Update based on Governor's proposal, then final adopted legislative budget
- Review all other revenues for potential changes, including rental agreements with BOCES





## Questions?

