

# NORTH SHORE SCHOOLS

*"Discovering Your Dreams"*



Presented to the BOE on 02/08/18 by Dr. Peter Giarrizzo.

**NORTH SHORE SCHOOLS  
BUDGET OVERVIEW  
2018-2019**

**DISTRICT GOALS  
AND THE  
BUDGET DEVELOPMENT  
PROCESS**

## **GOALS FOR THE 2018-2019 BUDGET**

- **Remain sensitive to the fiscal pressures faced by residents of the North Shore community**
- **Address all instructional program needs in line with the district's Shared Valued Outcomes (SVO's)**
- **Provide a strong program of Professional Development**
- **Stay at or below the New York State Tax Cap**
- **Comply with all New York State and Federal Mandates**
- **Continue to upgrade the district's technology infrastructure**
- **Maintain plant and facilities to provide a safe and healthy learning environment**

# THE BUDGET BUILDING PROCESS

- Superintendent shares District Goals and Assumptions with the administrative team
- Administrators asked to formulate zero-based budget proposals based upon:
  - District priorities as outlined in the SVOs; district goals and building initiatives
- Review actual expenditures for the past five years
- Review district's contractual obligations under each labor contract-used to project salaries
- Review prior years' approved budget to ensure requested programs and items were implemented
- Review new staffing requests to ensure alignment with district's goals
- Review trends used to project health care costs
- Budget proposal drafted\*

\* \$2,077,257.82 –represents initial budget cuts after Superintendent review as of 02/08/18

## **THE UNKNOWNNS AT BUDGET FORMULATION TIME**

- State Aid-only the Executive Budget is known at budget formulation time
- Economic and political environment may change- examples: NYS could roll back aid mid-year
- Health Insurance cost for calendar 2019 unknown at budget formulation time
- Unanticipated health and safety needs are difficult to project
- Student enrollment may change
- Kindergarten registration just started
- Student services may change based on annual review of IEPs
- Students' course selection – grades 6-12

## 2018-2019 EXPENDITURE BUDGET AT A GLANCE

### Appropriations

Description	Approved Budget 2017-18	Proposed Budget 2018-19	\$ Change	% Change
General Support	9,924,738	9,798,369	(126,369)	(1.27%)
Instruction-Includes Regular and Special Education	60,035,080	61,655,137	1,620,057	2.69%
Pupil Transportation	2,898,903	2,861,981	(36,922)	(1.27%)
Community Service	53,000	53,000	.00	.00%
Employee Benefits	25,116,884	26,235,419	1,118,535	4.45%
Debt Service/Tax Anticipation Notes and Lease	4,084,910	4,264,613	179,703	4.40%
<b>Total</b>	<b>102,113,515</b>	<b>104,868,519</b>	<b>2,755,004</b>	<b>2.698%</b>

## THE BUDGET DRIVERS

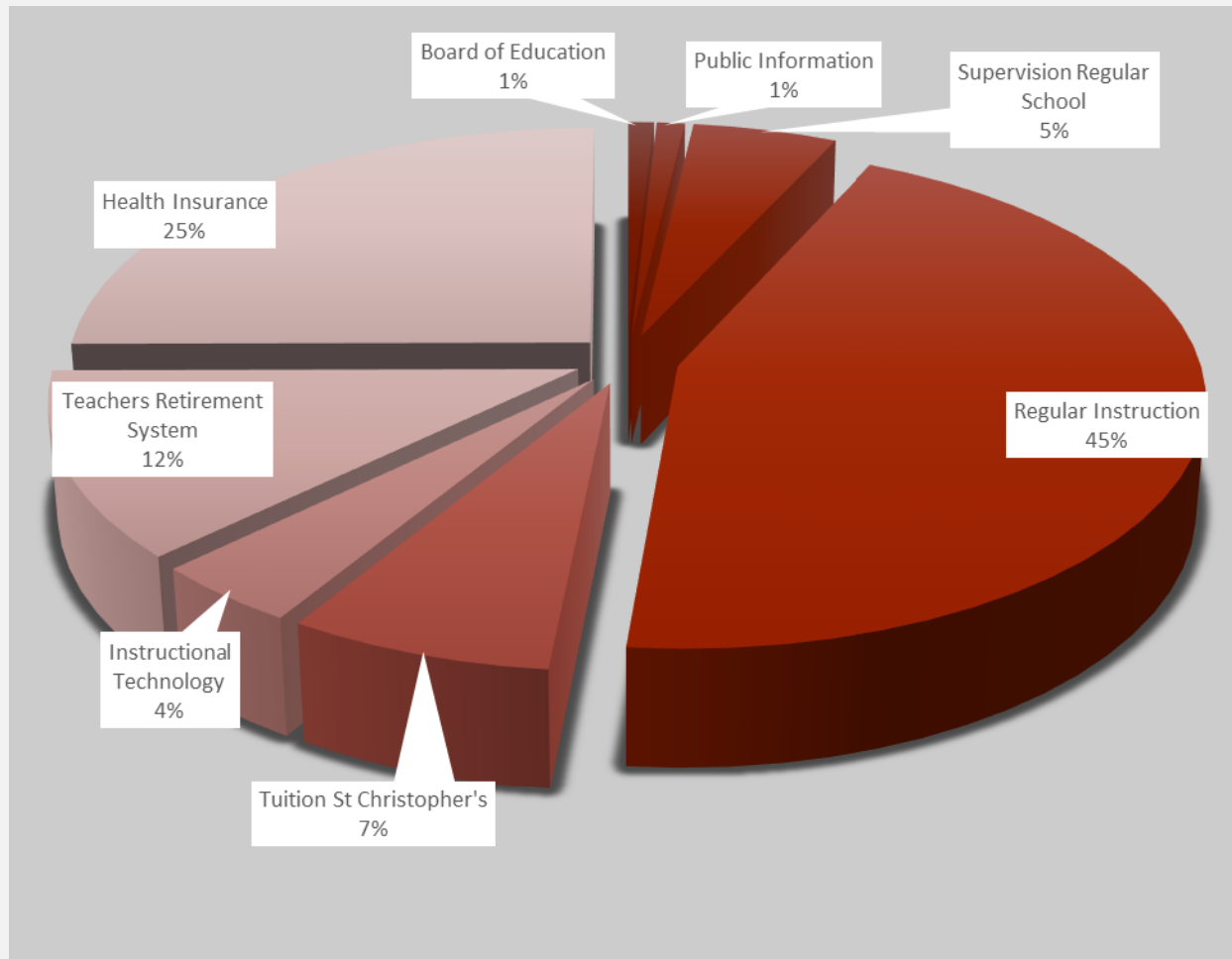
<b>Total Budget</b>	2017-18 Approved Budget <b>102,113,514.86</b>	2018-19 Proposed Budget <b>104,868,518.83</b>	\$ <b>Increase</b> <b>2,755,003.97</b>	% <b>Increase</b> <b>2.698%</b>
Board of Education	183,787.00	213,620.81	29,833.81	<b>16.23%</b>
Public Information	143,042.60	175,694.60	32,652.00	<b>22.83%</b>
Supervision of Instruction	4,225,713.11	4,393,971.32	168,258.21	<b>3.98%</b>
Regular Instruction	34,445,862.92	35,933,422.13	1,487,559.21	<b>4.32%</b>
Tuition St. Christopher's	101,469.00	341,570.00	240,101.00	<b>236.62%</b>
Instructional Technology	1,801,539.31	1,937,119.94	135,580.63	<b>7.52%</b>
Teachers' Retirement System	4,819,920.87	5,222,623.40	402,702.53	<b>8.35%</b>
Health Insurance	12,768,392.19	13,604,343.64	835,951.45	<b>6.54%</b>
<b>Total</b>	<b>58,489,727.00</b>	<b>61,822,365.84</b>	<b>3,332,638.84</b>	<b>5.69%</b>

## WHAT ARE THESE DRIVERS?

- Negotiated contracts
- Increased enrollment in Reading and World Language programs
- Increase in required district contribution to NYS Teachers' Retirement System - (10.63% of 2018-19 member payroll)
- Increase in Insurance health premiums
- Tuition and transportation expenses for students residing in St. Christopher Ottilie's Group Home-*district is reimbursed*
- Ongoing Technology upgrades



# MAJOR BUDGET DRIVERS



## STAFFING CUTS

Description	Amount
1.5 FTE Behavioral Specialist	(85,000)
4 FTE Teacher Aides Plus Benefits	(200,000)
3 FTE Elementary Teachers ( <i>sections projected to decrease by 3</i> ) (2 positions will be used as safety)	(115,840)
.5 FTE Districtwide Maintainer	(32,000)
.5 FTE Bus Monitor	(12,725.10)
<b>Total</b>	<b>(445,565.10)</b>

## NEW STAFFING

School	FTE	Justification	Estimated Cost
Glenwood Landing	.5FTE	Mandarin-Increased Enrollment	57,920
Glenwood Landing	.4FTE	Reading-Increased Enrollment	46,336
Glenwood Landing	.2FTE	General Music-Increased Enrollment	23,168
Middle School	.3FTE	Mandarin-Increased Enrollment	34,752
Middle School	.3FTE	Information Technology Resource Teacher	34,752
High School	.2FTE	Mandarin-Increased Enrollment	23,168
<b>New Teaching Positions</b>	<b>1.9FTE</b>		<b>220,096</b>
Sea Cliff	.5FTE	4-Hour Hall Monitor-Health and Safety	14,400

## 2018-2019 REVENUES AT A GLANCE

<b>Total Budget</b>	2017-18 Approved Budget <b>102,113,514.86</b>	2018-19 Proposed Budget <b>104,868,518.83</b>	\$ <b>Increase</b> <b>2,755,003.97</b>	% <b>Increase</b> <b>2.698%</b>
Split Properties	100,000.00	150,000.00	50,000.00	50.00%
PILOTs				
2 Peaking Stations	1,718,906.18	1,775,030.32	56,124.14	3.27%
Business PILOT IDA	32,000.00	32,000.00	.00	00%
Former LILCO Properties	6,586,827.30	6,930,806.82	343,979.52	5.22%
State Aid	5,331,389.00	5,224,136.00	<b>(107,253.00)</b>	<b>(2.01%)</b>
Miscellaneous Revenues	945,000.00	1,120,000.00	175,000.00	18.51%
FUND BALANCE				
Current Operations	710,817.55	1,200,000.00	489,182.45	68.82%
Marcellino/Lavine Grant	1,000,000.00	800,000.00	<b>(200,000.00)</b>	<b>(20.00%)</b>
Closed Tax Certiorari	.00	350,000.00	350,000.00	100.00%
Interfund Transfer	1,200,000.00	1,200,000.00	.00	.00
Sub Total Other Revenues	17,624,940.03	18,781,973.14	1,157,033.11	6.56%
<b>Total Tax Levy</b>	<b>84,488,574.83</b>	<b>86,086,545.69</b>	<b>1,597,970.86</b>	<b>1.891%</b>

## REVENUES AT A GLANCE

- **Split Properties**: refund of school taxes from Roslyn, Locust Valley and Glen Cove School Districts
- **PILOTs**: two LIPA Peaking Stations on Shore Road; one business Pilot and 24 former LILCO (Long Island Lighting Company) properties removed from the district's tax roll in 2015
- **State Aid**: estimates based on the Governor's Executive Budget proposal
- **Miscellaneous Revenues**: Adult Education fees, tuition related services, St. Christopher's reimbursement, interest income, refunds and reimbursements and rental of properties
- **Fund Balance**: current year's operations, Marcellino and Lavine Grant, closed Tax Certiorari Reserve and interfund transfer
- **Tax Levy**: school taxes that will be raised to fund the proposed budget

## REVENUE CHALLENGES

- Interest income
- Tax Cap-Set at 2%; CPI at 2.13%; maximum allowable under Tax Cap law for North Shore is 2.24%
- Continued reduction in assessment and a shift of the tax burden from LIPA to residents
- State Aid-Difficult to predict expense based aids
- Fund Balance-Continued dependence on fund balance and reserves

# PAST AND FUTURE USE OF MARCELLINO AND LAVINE GRANT

## PAST AND PROPOSED ALLOCATION

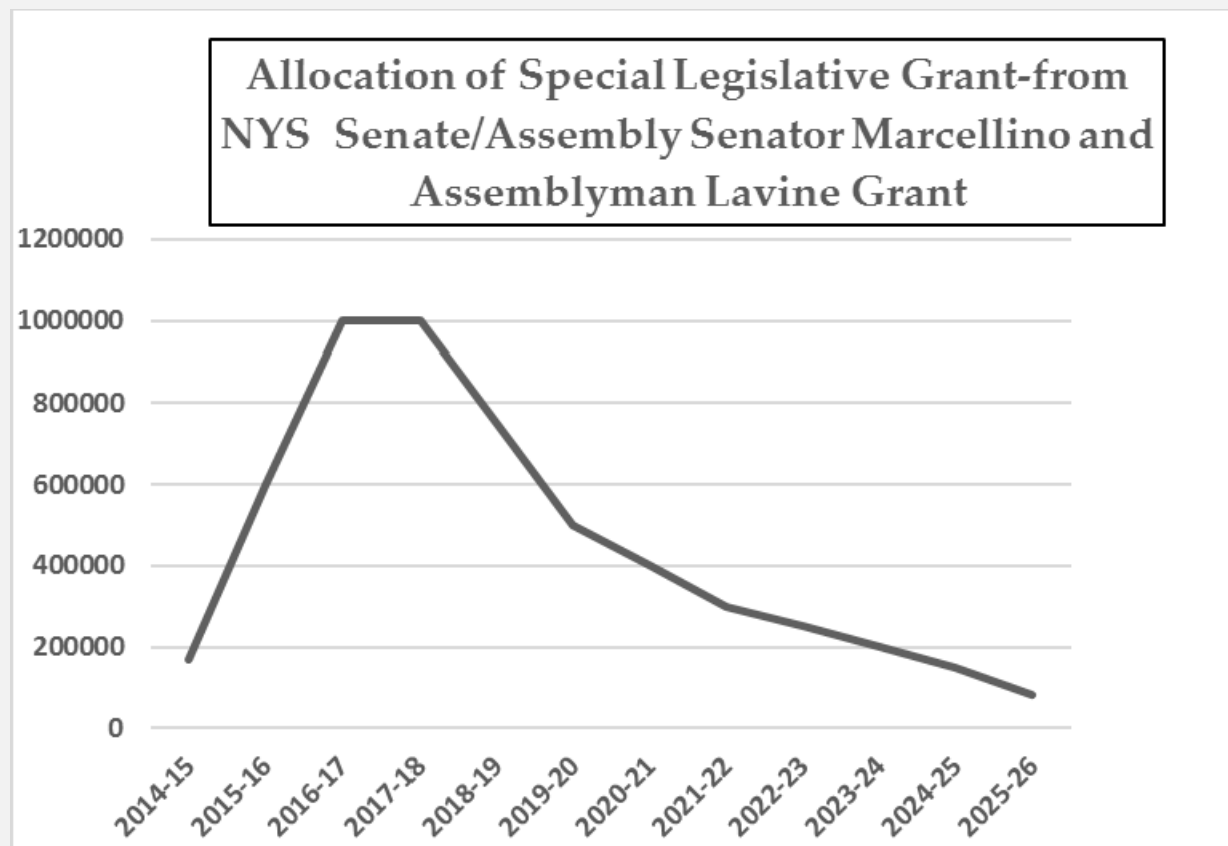
Year	Amount
2014-15	169,519
2015-16	600,000
2016-17	1,000,000
2017-18	1,000,000
2018-19-Proposed	800,000

## FUTURE ALLOCATION

Year	Amount
2019-20	600,000
2020-21	400,000
2021-22	300,000
2022-23	200,000
2023-24	150,000
2024-25	100,000
2025-26-Plus Accrued Interest	80,481

Future budget allocations of the Grant will be reviewed on an ongoing basis to ensure structural balance of the district's finances.

# PAST AND FUTURE ALLOCATION





# PROPOSED AND FUTURE ALLOCATION OF FUNDS - TAX CERTIORARI RESERVE (LIQUIDATED)

## PAST AND PROPOSED ALLOCATION

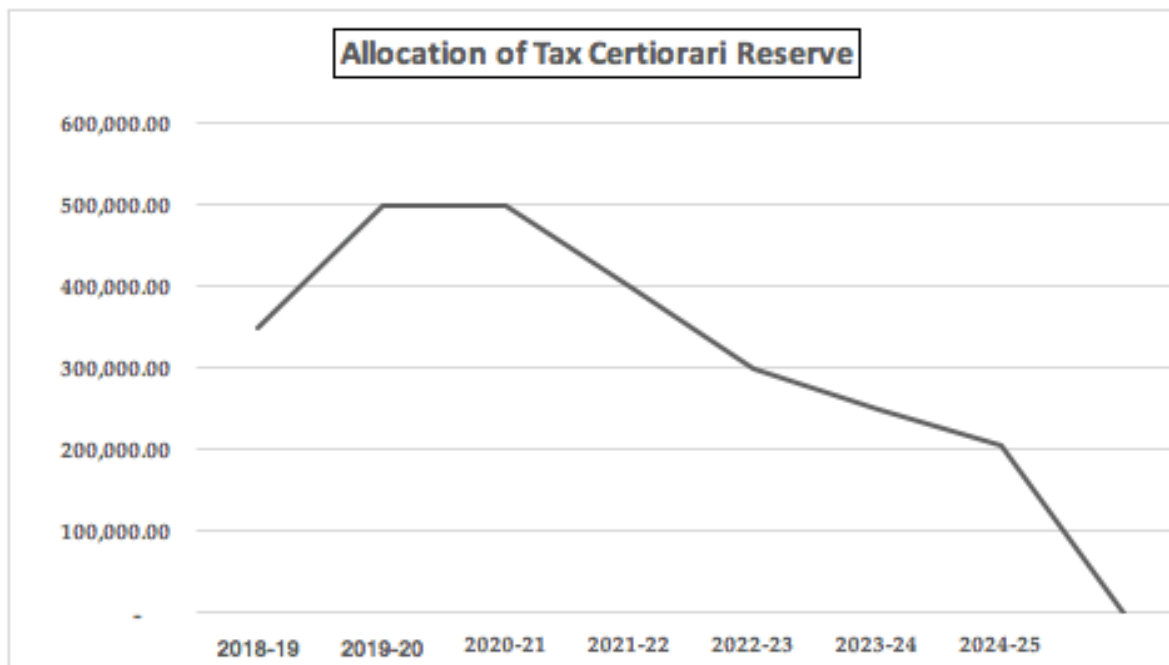
Year	Amount
2018-19-Proposed	350,000

## FUTURE ALLOCATION

Year	Amount
2019-20	500,000
2020-21	500,000
2021-22	400,000
2022-23	300,000
2023-24	250,000
2024-25-Plus Accrued Interest	204,399

Future budget allocations of the funds previously held in the District's Tax Certiorari Reserve will be reviewed on an ongoing basis to ensure structural balance of the district's finances.

# PROPOSED AND FUTURE ALLOCATION OF (FORMER) TAX CERTIORARI RESERVE



# FUND BALANCE AND USE OF RESERVES "THE MELTING ICE APPROACH"



# REVENUE AND TAX LEVY SUMMARY

Description	Approved Budget 2017-18	Proposed Budget 2018-19	Increase \$	Increase %
Total Revenues	17,624,940.03	18,781,973.14	1,157,033.11	6.56%
Tax Levy	84,488,574.83	86,086,545.69	1,597,970.86	1.891%
Maximum Levy Permitted	84,488,574.83	86,384,025.50	1,895,450.67	2.243%
Difference Between Maximum Levy Permitted and Proposed Tax Levy			(297,479.81)	(.352%)

## HOW TAX LEVY IS APPORTIONED AMONGST PROPERTY CLASSES IN THE DISTRICT BASED ON CURRENT TREND

Total Levy	2017-18 Actual %	84,488,575 Actual \$	2018-19 Proposed %	86,086,546 Proposed \$	Difference \$	Number of Homes #	Average Increase by Home \$
Class 1- Single Family Homes	72.56116	61,305,890	73.37820*	63,168,758	1,862,868	5,832	319
Class 2- Co-ops and Condos	1.47098	1,242,810	1.48613*	1,279,357	36,547	61	599
Class 3- Utilities	19.50790	16,481,947	18.54031	15,960,713	(521,234)	NA	
Class 4 - Commercial Properties	6.45996	5,457,928	6.59536*	5,677,718	219,790	NA	
<b>Total</b>	<b>100.00%</b>	<b>84,488,575</b>	<b>100.00%</b>	<b>86,086,546</b>	<b>1,597,971</b>		

\* This projection assumes that the NYS Legislature will maintain the shift in the Adjusted Based Proportion (1803-a) to 1%. Other factors such as changes in assessments might affect this apportionment.

# IMPACT ON HOME VALUES IN THE NORTH SHORE SCHOOL DISTRICT

## 2017-18

Market Value	\$500,000	\$700,000	\$1,000,000	\$1,500,000
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## 2018-19

Market Value	\$500,000	\$700,000	\$1,000,000	\$1,500,000
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Annual Increase in Taxes	293	409	585	877
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