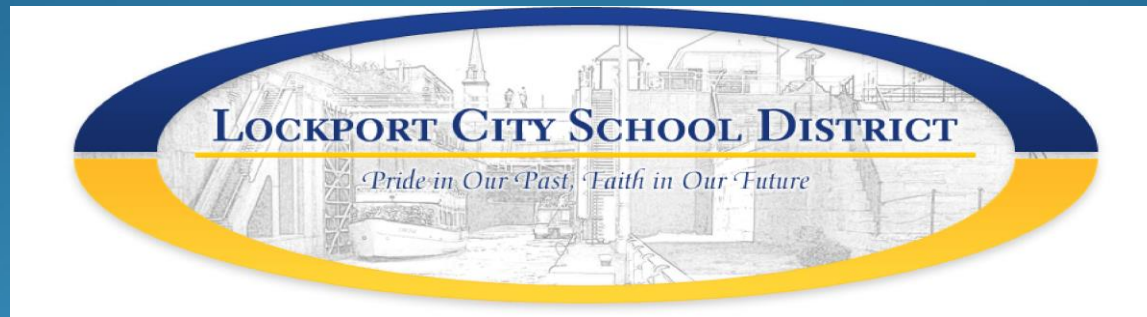


LOCKPORT CITY SCHOOL DISTRICT



2015-16 Budget Presentation Expenditures: The Big Picture

Deborah Coder
Assistant Superintendent for Finance
March 18, 2015

Expenditure Budget

- As of January 21, 2015 – The “Roll-Over” Budget was:
- \$90,988,334, which is an increase of \$4,659,678 or a 5.4% budget to budget increase.
- This “roll-over” budget figure also included estimates for vendor increases, anticipated contractual obligations, pension increases and building/departments level budget requests.

BOARD OF EDUCATION

Function Codes 1010, 1040, 1060

- The expenses of the Board of Education are incurred while the Board is fulfilling its responsibilities to the public.

Proposed
2015-2016
\$153,537

- Included in this area is the District Clerk.

- Includes rental of electronic voting machines and new ballots.

Change from
2014-2015
+ \$29,475



Why The Increase?

- The district has budgeted for usage of the new electronic voting machines for the May 2016 budget vote.
- Additional expenses for the programming of the machines, purchase of the ballots and movement of the machines were based on estimates received from the Niagara County Board of Elections.
- The Governor will no longer sign extensions for usage of “lever” machines.

CENTRAL ADMINISTRATION

Function Code 1240



- The central administration reflects the necessary expenses for the Superintendent's office.

Proposed
2015-2016
\$251,261

- There are two members of the staff who are assigned to the office.

Change from
2014-2015
+ \$3,990



Why The Increase?

- This area increased due to contractual salary obligations.

FINANCIAL OPERATIONS

Function Codes 1310, 1320, 1325, 1330



The financial operations include business administration, auditing, treasurer functions, tax collection, and purchasing.



Proposed
2015-2016
\$523,649

Change from
2014-2015
+ \$26,510

Why The Increase?

- This area increased due to contractual salary obligations.
- In addition, these budgets contain projected increases for BOCES' services such as the school calendar, budget newsletter and the election software. The district will receive BOCES aid on these expenses.



HR, RECORDS RETENTION & PUBLIC RELATIONS

Function Codes 1420, 1430, 1460, 1480

This area of the budget
includes personnel, legal
services, records
management and public
information services.

Proposed
2015-2016
\$540,835

Change from
2014-2015
+ \$9,622



Why The Increase?

- This area increased due to contractual salary obligations.

FACILITIES MANAGEMENT

Function Codes 1620, 1621, 1670, 1680



- Keeps grounds, equipment and buildings in safe, usable condition.
- Also includes utilities and contractual data services through BOCES.
- Consists of operating and maintaining buildings and equipment, including utilities.

Proposed
2015-2016
\$5,803,754

Change from
2014-2015
+ \$78,521



Why The Increase?

- Increase due to the addition of the SED mandated 2015 Building Condition Survey requirement.
- This expense will receive partial building aid.

UNIQUE OBLIGATIONS

Function Codes 1910, 1950, 1964, 1981, 1983

These items include property insurance, real property tax refunds, special utility assessments, and BOCES capital expenditures and administrative charges.

Proposed
2015-2016
\$930,446

Change from
2014-2015
- \$29,144

Why The Decrease?

- The BOCES administrative service charge and capital expense allocation decreased by \$39,741.
- This decrease offsets the district general liability insurance premium increase of \$10,597.

INSTRUCTION, ADMINISTRATION AND SCHOOL IMPROVEMENT

Function Codes 2010, 2020, 2060, 2070



The costs for curriculum development, supervision, administrative and clerical personnel, etc. are included in this function.



Proposed
2015-2016
\$ 3,024,478

Change from
2014-2015
+ \$33,497



Why The Increase?

- This area includes increases due to contractual salary obligations.



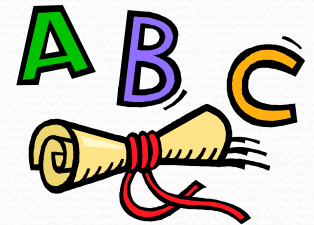
TEACHING REGULAR SCHOOL

Function Code 2110

- Money for supplies, textbooks, equipment, and instructional materials.
- Salaries of teachers, substitutes, and teacher assistants.

Proposed
2015-2016
\$24,083,099

Change from
2014-2015
+ \$765,017



Why The Increase?

- This area includes increases due to contractual salary obligations. Retirements received by February 1st and their replacements are reflected in the 2015-2016 budget.

SWD PROGRAMS

Function Codes 2250, 2280



- Education cost for students with disabilities and occupational education.
- Special education programs are mandated by state and federal law.

Proposed
2015-2016
\$14,939,902

Change from
2014-2015
+ \$786,216

Why The Increase?

- The district has experienced a larger than usual volume of transfer students with special needs from other districts that require placements with outside private and public agencies. Anticipated tuition rate increases have also been included.

TEACHING SPECIALIZED PROGRAMS

Function Code 2330

- Academic Intervention Services
- BOCES Summer School Coordination Fee

Proposed
2015-2016
\$11,869

Change from
2014-2015
- \$6,410

Why The Decrease?

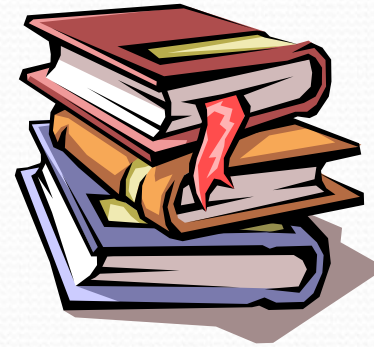
- The former “operating standards” budget has been moved to the “educational services” budget under location “20”.

INSTRUCTIONAL MEDIA

Function Codes 2610, 2630

Includes:

- Librarian salaries
- Library books & materials
- Audio-visual materials & computer software in local public & non-public school libraries.



Proposed
2015-2016
\$2,588,610

Change from
2014-2015
+ \$122,666

Why The Increase?

- Anticipated increases to the BOCES budget for software needs, technology supply purchases and increased professional development.

PUPIL SERVICES

Function Codes 2805, 2810, 2815,
2820, 2850, 2855



Appropriations for:

- Attendance
- Guidance
- Health & psychological services
- Co-curricular & interscholastic activities



Proposed
2015-2016
\$ 3,677,836

Change from
2014-2015
+ \$124,553

Why The Increase?

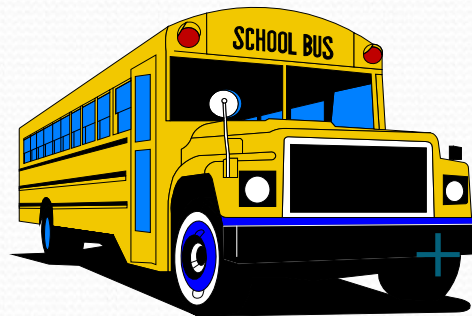
- Includes an increase in projected expenditures for additional retired security officers districtwide. They are budgeted in the attendance code (2805).

PUPIL TRANSPORTATION

Function Codes 5510, 5540

Expenses involved in operating pupil transportation in the Lockport district and to eligible non-public schools.

Proposed
2015-2016
\$ 5,251,909



Change from
2014-2015
+ \$172,862

Why The Increase?

- Contractual transportation increases as per contract with bus company.

EMPLOYEE BENEFITS

Function Codes 9010, 9020, 9030, 9040,
9050, 9060, 9089

- District mandated contributions to TRS, ERS retirement systems and social security.

Proposed
2015-2016
\$24,344,101

- Includes estimated increases for health insurance obligations and federal health care obligations.

Change from
2014-2015
+ \$1,605,151

Why The Increase?

- Premier Consulting continues to review and will finalize their original health estimate reflecting a 9.5% increase based on the national average for increases to health care.
- The TRS estimated obligation reflects a \$596,946 decrease to the budget based on a lower employer contribution rate of 13.26%.
- The ERS estimated obligation reflects a \$139,961 decrease to the budget based on a lower employer contribution rate of 18.2%.

DEBT SERVICE

Function Codes 9711, 9731



- Bond interest & principal payments are budgeted in the debt service function.
- Payments are in accordance with the legal schedules set forth when the bonds were sold to fund District capital projects.

Proposed
2015-2016
\$3,865,917

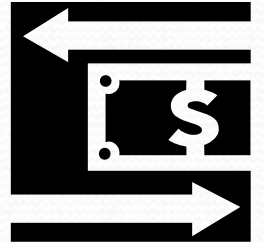
Change from
2014-2015
+ \$318,033

Why The Increase?

- A principal payment is due on a recently converted BAN to a Bond.
- The district will receive building aid on this borrowing to offset this cost.

INTERFUND TRANSFERS

Function Code 9901



- Interfund transfers represent the district's share of the cost for providing the mandated 4401 special education summer school services.
- Also included in this area are anticipated federal grant and pupils' lunch payment shortfalls.

Proposed
2015-2016
\$877,106

Change from
2014-2015
+ \$499,094

Why The Increase?

- 10% sequestration reduction anticipated in federal grants for Title 1, IDEA 611 and 619.
- 15% allocation for professional development required in federal grants for Title 1 and IDEA 611/619. Must move expenses out of these grants to the general fund to accommodate this requirement.
- The expiration of the STLE grant requires salaries from this grant to be moved back into the general fund.

Where are we now?

- As of March 18, 2015 – The Adjusted Expenditure Budget is:
 - ✓ \$90,868,309, which reflects net adjustments of \$120,025 or a 5.25% budget to budget increase.
 - ✓ This expenditure budget and anticipated revenue will not exceed the tax levy limit amount of \$731,572

Next Steps?

- With deadlines approaching to have all budget documents prepared in the required state format and ensure timely public notices to the newspapers:
 - ✓ Would the Board of Education consider adopting the final expenditure budget on April 8th? This work session meeting would replace the currently scheduled work session meeting on April 15th.



Discussion Opportunity

Next Steps

Budget Timeline Highlights

- **October/November (Complete)**
 - Budget development calendar is presented to the Board of Education
 - Budget forms are distributed to building principals and directors
- **December (Complete)**
 - Central Administration Office continues budget development by working with budget builders (program and building staff)
 - Program budgets are submitted to the Business Office
- **January (On Hold for Final Confirmation of Aid)**
 - The District reviews the Governor's proposed state aid printouts sent by SED
- **February/March (Complete Based on Known Information)**
 - Revenue estimates are presented to the Board (complete)
 - Expenditure Budget is presented to the Board (complete)
 - Contingent Budget is presented to the Board (will occur at the public hearing)
- **April**
 - The 2015-16 Budget is finalized and approved by the Board (April 8th)
 - Public notice of the school district budget vote is posted
- **May**
 - The Budget Hearing (at least 7 and no more than 14 days prior to vote)
 - Budget Notice mailed to voters
 - Statewide School District Budget and Board Member Election vote