

Early 2011-12 Budget Estimates

FINANCIAL ASSUMPTIONS

What do we want to accomplish tonight?

- Review estimated revenue assumptions
- Review estimated expenditure assumptions
- Understand assumptions for surplus, assessments and equalization rates
- Re-visit historical budget , tax levy and tax rate information
- Analyze how assumptions affect budget, tax levy and tax rate changes
- Review how various budget targets dictate levels of budget reductions
- Secure budget target from BOE so administration can move forward with budget development

Revenue Assumptions

- Expect N.Y. State to reduce school aid; estimated guess **-\$550,000**
- Federal Stimulus Aid ending June 2011 **-\$420,000**
- Use of new Federal “Jobs Aid” next year will increase revenue **+\$350,000**
- All other non-tax revenue estimated to be up **+\$298,000**
- Expect to transfer **+\$500,000** from capital fund, leftover from completed bond projects

Net effect estimated to be a \$178,000 increase in non-tax revenue

Expenditure Assumptions

- Known and anticipated salary increases for existing staff **+\$1,700,000**
- Additional salary costs to budget from expiring IDEA & Title ARRA grants **+\$260,000**
- Mandated, extraordinary pension cost increases **+\$2,000,000**
- Health and other benefit increases **+\$1,740,000**
- Service contract and other related increases **+450,000**
- Reduced debt service payments **-\$380,000**
- Expect to ask for additional **+\$200,000** for central generator

Net estimated move-forward budget increase of \$5,970,000

Other Assumptions

- These early budget estimates assume no program or class section changes due to student needs or enrollment
- BOE will attempt to appropriate the same level of reserves and surplus, totaling **\$4.4 million**, to next year's budget to prevent a huge increase in tax levy
- Total district property assessed values will remain fairly stable while shifts in those values, and resulting equalization rates, will shift tax rate burden between towns

Assumptions Applied

| | | |
|--|--------------------------|-----------------------|
| Estimated 2011-12 Go-Forward Expenditure Budget | \$122,450,000 | 5.12% Increase |
| Revenue Category | Projected 2011-12 | |
| Estimated Non-Tax Revenue Items | \$8,900,000 | |
| Est. Appropriated Surplus/Reserves | \$4,400,000 | |
| Total All Non-Tax Revenue/Surplus | \$13,300,000 | 1.47% Increase |
| Resulting Tax Levy | \$109,150,000 | 5.59% Increase |

Historical Budget & Levy Changes

| School Year | Budget-to-Budget % Change | Tax Levy % Change |
|-------------|---------------------------|-------------------|
| 2002-2003 | +6.64% | +9.47% |
| 2003-2004 | +8.50% | +8.93% |
| 2004-2005 | +9.10% | +7.05% |
| 2005-2006 | +7.68% | +9.19% |
| 2006-2007 | +8.59% | +5.20% |
| 2007-2009 | +6.09% | +6.41% |
| 2008-2009 | +4.00% | +7.92% |
| 2009-2010 | -0.67% | -1.61% |
| 2010-2011 | +1.70% | +0.73% |

Historical Annual Tax Rate Changes By Town

| Town | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | Avg./Yr Last 20 Years | Avg./Yr Last 3 Years |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------------------|----------------------|
| Bedford | 3.97% | 8.40% | 7.88% | -3.26% | 3.72% | 5.09% | 2.78% |
| Mount Kisco | 2.11% | 12.55% | 7.01% | -0.35% | 1.10% | 5.74% | 2.59% |
| Pound Ridge | 6.01% | -1.84% | 4.65% | -0.32% | -2.96% | 4.20% | 0.46% |
| New Castle | 2.07% | 1.17% | 11.91% | -3.12% | 0.13% | 5.58% | 2.97% |
| North Castle | -3.18% | 2.70% | 15.42% | 0.88% | 1.19% | 6.21% | 5.83% |

Budget & Levy Scenarios

Assumes \$8.9 mil. Projected Revenue and Use of \$4.4 mil. Surplus/Reserves

| If the budget increase desired is: | Then the tax levy change would be: | And expenditure cuts from estimated budget would be: |
|------------------------------------|------------------------------------|--|
| 0.0% | -0.19% | \$5,968,540 |
| 1.0% | 0.94% | \$4,803,725 |
| 1.3%* | 1.28% | \$4,454,281 |
| 2.0% | 2.07%** | \$3,638,911 |
| 3.0% | 3.19% | \$2,474,069 |
| 4.0% | 4.32% | \$1,309,282 |
| 5.12% | 5.59% | \$0 |

* Assumes estimated Contingent Budget level

** Assumes state imposed tax levy cap level

Estimated Tax Rate Changes

At various budget-to-budget increases of:

| Town | 0.0% | 1.0% | 1.3% | 2.0% | 3.0% | 4.0% | 5.12% |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Bedford | -4.90% | -3.82% | -3.50% | -2.75% | -1.68% | -0.60% | 0.60% |
| Mt. Kisco | 9.04% | 10.27% | 10.64% | 11.50% | 12.73% | 13.96% | 15.34% |
| Pound Ridge | 0.85% | 1.99% | 2.33% | 3.13% | 4.27% | 5.41% | 6.69% |
| New Castle | 5.16% | 6.35% | 6.71% | 7.54% | 8.73% | 9.91% | 11.25% |
| North Castle | 1.38% | 2.53% | 2.87% | 3.67% | 4.82% | 5.96% | 7.25% |

So what's the target budget?

- Is estimated budget level acceptable?
- Will public input from "In-Focus" last year help the decision-making process?
- Do we assume the governor and legislature will impose a 2% levy cap and plan accordingly?
- Do tax rate changes factor into our decision knowing we can't control the shifts?
- Do we have the capacity to make major cost reductions without decimating program?