Bridgehampton
Community Conversation 5
2016-2017 Budget

March 16th Presentation

Dr. Lois Favre
Mr. Bob Hauser
Second Community Forum

Last time....

• Reviewed our programs, successes
• Reviewed the bottom line, and what’s driving up costs
• Reviewed what is set in stone, and what can be optional – understanding that whatever is taken out is gone
• Reviewed that all that is cut directly impacts students.
Reiterate

• Costs of retirement and benefits are increasing for all – school districts included - staffing costs make up the bottom line for most companies.

• Our teaching staff negotiated an increase from 12-16% over three years which is unprecedented – generally a percent a year if at all – so they are working with us (smaller percentages bargained for our civil service staff, aligned with the salary ranges).
Clarifications

• Sick day payout at retirement for staff is contractual, and is the case in most districts.

• Retirement incentives are common – we understand the value of our experienced teachers, and have a team approach to hiring that assures a good fit, such that our master teachers work alongside our newest staff members – we are proud of our staff (old and new!)

• We had one person eligible and interested this year.
Review

• Tonight is our teamwork –
• Make recommendations to our board
• Ask – teachers/board members to be note takers and/or to assist with understandings of what the proposed cuts entail
• Each table will submit their ‘packet’ at the end of the night – I will summarize, post, and provide to the board for consideration
Some quick facts, again...

- Tax levy limits are 2% or the CPI – whichever is lower – .12% for the upcoming budget season
- Exempt from this: capital projects and teacher retirement system increases
- No contingency budget – if voted down we are in worse shape – true 0%

Accredited by the Middle States Council on Elementary and Secondary Education
Levy limits this year....

- Allowable levy growth factor (same across NYS districts) 0.12% = $13,204
- Bridgehampton’s tax base growth factor (unique to Bridgehampton) 2.94% = $323,500
- Total we can raise: $336,704
- Employee and Retiree health insurance alone puts us over the cap= $403,700
The State of the District

<table>
<thead>
<tr>
<th></th>
<th>Proposed as needed</th>
<th>Actual Budget</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% Tax Cap Starts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-2013</td>
<td>11,333,042</td>
<td>10,696,364</td>
<td>-636,678</td>
</tr>
<tr>
<td>2013-2014</td>
<td>11,370,699</td>
<td>11,212,635</td>
<td>-158,064</td>
</tr>
<tr>
<td>2014-2015</td>
<td>12,650,768</td>
<td>12,326,036</td>
<td>-324,732</td>
</tr>
<tr>
<td>2015-2016</td>
<td>12,655,693</td>
<td>12,818,345</td>
<td>162,652</td>
</tr>
<tr>
<td>2016-2017</td>
<td>14,267,351</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

11.3% increase as our initial numbers

$4,518,240 = Monies asked for but ultimately cut in past 6 years.
Budget to Budget- 2\textsuperscript{nd} Look

• Proposed Budget for 2016-2017
  – Initial proposal = $14,267,351
  – Currently at $13,778,226
  – The difference in spending from 15/16 to 16/17
    • $959,881 or 7.49 % increase proposed
With no further adjustments/cuts

• $959,881 or 7.49% increase proposed
Budget Advisory
Recommendations.....

• Use additional reserves of $50,000 from retirement reserves
• Working with neighboring districts to realize transportation savings - $50,000
• Possibility of more state aid $25,000 (includes restoring some GEA (Gap Elimination Monies)
Leads us to Consider Reductions in Budgeted Items

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Savings if removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Core training</td>
<td>$25,000</td>
</tr>
<tr>
<td>Aspire</td>
<td>$35,000</td>
</tr>
<tr>
<td>Reduce Consultants (Staff development)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Reduce one teacher aide</td>
<td>$50,000</td>
</tr>
<tr>
<td>Reduce part time custodian</td>
<td>$20,000</td>
</tr>
<tr>
<td>Reduce stipends/ clubs</td>
<td>$15,000</td>
</tr>
<tr>
<td>Reduce one clerical</td>
<td>$50,000</td>
</tr>
<tr>
<td>Cut Driver’s Education</td>
<td>$18,000</td>
</tr>
<tr>
<td>Two anticipated (possible) retireamnts</td>
<td>$150,000</td>
</tr>
<tr>
<td>No summer Jumpstart or Camps</td>
<td>$30,000</td>
</tr>
<tr>
<td>No summer tennis courts</td>
<td>$4000</td>
</tr>
</tbody>
</table>

Numbers to look at – not suggestions to cut....just giving an idea of what it takes, and what is unraveled to get to the decrease.
Total saved with proposed cuts and use of reserves...

$ 547,000

Remember: Once cut, there is little chance it will ever return…
With all of those cuts this brings us to.....

$108,000 or .947% over the levy limits
Other ideas to consider...

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further reduce stipends (clubs and activities, drama)</td>
<td>$50,000</td>
</tr>
<tr>
<td>No field trips</td>
<td>$14,000</td>
</tr>
<tr>
<td>Reduce Marimba travel</td>
<td>$5,000</td>
</tr>
<tr>
<td>No new occupational Education</td>
<td>$26,000</td>
</tr>
<tr>
<td>No continued Occupational Education</td>
<td>$26,000</td>
</tr>
</tbody>
</table>

Numbers to look at – not suggestions to cut....just giving an idea of what it takes, and unravels to get to the decrease.
Tonight

• Different scenarios:
  
  ____1: 7.49% ($547,000 over)
  ____2: 4.0% ($292,000 over)
  ____3: .947% ($108,000 over)
  ____4: ________ Other amount
  ____5: Do not pierce the cap

$959,881 or 7.49% increase proposed before cuts....
Pierce Tax Cap

- 60% majority of the voters who vote
- Failure
  - 0% increase in the levy (meaning much bigger cuts than presented tonight) (additional $336,000)
  - In your groups tonight you’ll consider pros and cons to this
Tax Levy Limitations

• To stay within the .12% limitations and factoring in exclusions (debt service on window project; annual capital projects) ...

• Our percentage for this year is almost 3.06% or

  $336,704$

This is all we can raise if staying within the limitations.
## Assessed Values in Bridgehampton

<table>
<thead>
<tr>
<th>Year Pair</th>
<th>Value</th>
<th>Year Pair</th>
<th>Value</th>
<th>Year Pair</th>
<th>Value</th>
<th>Year Pair</th>
<th>Value</th>
</tr>
</thead>
</table>

**Projected tax rate per $1000 of assessed value**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>$1.56</td>
<td>$1.55</td>
<td>$1.77</td>
<td>$1.67</td>
<td>$1.79*</td>
</tr>
</tbody>
</table>

* Projected rate for 2016-2017 based on proposed budget (assuming zero change in the assessed value – so it could be less).

**For a $1,000,000 home - $1,795.00 in school taxes for the year**
Tonight...

• Looking forward to an evening of sharing....
  – Input
  – Ideas
  – Suggestions
  – Attend the budget meetings through March and April and see how your information informs the Board’s decisions.

Please...Use Discretion in Conversations.
No Quick Fix….

• Decisions get more difficult each year of the Levy Limitation

• **Whatever we cut is only a saving for one year……**
  The system doesn’t reward drastic, short term cuts…. 
Focus Groups

• Each participant has a number
• Tables are numbered 1-2-3-4-5...
• In a minute you will be asked to go to your assigned table: 1-2-3-4-5...
  – Once at your tables – we’ll review the Focus Group Process.... and your charge for the evening.
Focus Groups

• Choose a recorder for your table
  – Recorder will complete a packet to submit from your table
• Brainstorm as many reasons as you can for NOT piercing the cap
• Come to consensus on the five top reasons
Next...

• Brainstorm as many reasons as you can for PIERCING the cap
• Come to consensus on the five top reasons—recorder should list those five reasons in the packet
We have provided at each table:

• Last week’s PowerPoint as well as other Budget Presentations to provide you with some history

• Scenarios for cuts needed to get to the various budget percentages – and possible cuts to consider to get there (within tonight’s PowerPoint)

• This should provide an idea of the impact for your team.
Should the Board decide to Pierce...

• By how much?

• Different scenarios:
  _____1 : 7.49% ($547,000 over)
  _____2: 4.0% ($292,000 over)
  _____3: .947% ($108,000 over)
  _____4: _________ Other amount
Together

• Provide the team’s rationale for the rate at which we should consider piercing the cap.
Difficult decisions ahead

• We will post results of the Community Conversation on the webpage –
• Attend budget presentations as we continue through the process