

PROGRAM-BASED BUDGET ANALYSIS

2/11/10

Identification of Potential
Opportunities for Savings

Economic Realities

- Revenue starting point from all major source categories will be lower than this year's revenue levels
 - State aid and federal stimulus funding
 - Miscellaneous, ie county sales tax revenue
 - Total valuation of property in district due to tax certs
- Attempting to cover loss using fund balance would set the stage for completely depleting it within two years
- Expenditure rates governed by mandates and contracts will increase
 - Movement on labor contract salary schedules
 - Retirement system contributions
 - Health insurance (lower increase due to 1-year rate reduction)
 - Contracted services, such as BOCES special education tuition
 - Debt service for capital construction project, equipment leasing, and tax certiorari settlements

Tax & Cost Cutting Implications

- Property taxes will have to be increased by 2 to 3% for 2010-11 just to recover lost revenue and get back to this year's total revenue starting point
- "Business as Usual" Budget would require additional 9 to 10% tax increase
- Contingency Budget (0 increase except for debt service) would require 2% tax increase on top of 2-3% revenue recovery tax increase
- Reducing Business as Usual Budget to Contingency Budget level would require \$3.35 million in budget cuts

NOTE: Tax increase refers to increase in total amount of property taxes (tax levy) required to balance budget. Tax rate increase for Sleepy Hollow & Tarrytown varies depending upon changes in equalization rates and total assessed property valuation from year to year as determined by the 2 towns. Estimated tax rate increase for Sleepy Hollow will be about 3% > tax levy increase and estimated rate increase for Tarrytown will be about 3% < tax levy increase

Program Budget Analysis

- Budget organized according to state accounting requirements converted to a budget organized by meaningful program expense categories
- Goals
 - Promote greater understanding of
 - **How funds are allocated across budget categories**
 - **What kinds of expenses are included in each budget category**
 - Provide format for analyzing expenses in context of
 - **Other districts in Westchester & Putnam Counties**
 - **Various mandates and standards that drive them**
 - **Efficiency considerations**
 - **Outcomes achieved**
 - Identify potential opportunities for savings based on the above

PROGRAM BUDGET

Preliminary Findings

Overall Efficiency

- Historically
 - Overall expense/pupil has fallen within the middle range for the region
 - A higher percentage of expenditures is devoted directly to the Instruction category, as opposed to operating overhead, than is typical for the region
 - The amount of property tax revenue necessary to balance the budget, as represented by tax revenue as a percentage of the budget, has fallen within the middle range for the region
 - Growth in materials, supplies, contractual expenses has been frozen or less than inflation in spite of enrollment growth

Self-Supporting Programs

- Programs not included in district budget
 - School lunch program – funded by federal subsidies and meal charges
 - Pre-Kindergarten program – entirely state funded
 - After school assistance and enrichment programs (other than extra-curricular and sports) – grant funded
 - Family literacy/early intervention program – grant funded

Administration

- Central administration
 - Typical organizational structure
 - Comparatively low cost/pupil due to lack of central administrator dedicated exclusively to personnel and lack of 2 clerical support positions
- Building administration
 - Organizational model requires more staffing than typical for comparably sized district due to number of separate buildings
 - 1 additional principal and 2 additional secretaries
 - Comparatively high cost/pupil due to inefficient model

Operations & Maintenance

- Building cleanliness/conditions rating average of 3.5/5
- Custodial/cleaning crew responsible for more square feet per person than industry standard
- Grounds crew responsible for more acreage per person than industry standard
- The district may be operating 1 more building than necessary to accommodate current & projected student enrollment
- Energy efficiency is improving and will improve more with planned energy management project funded through energy savings
- Non-labor cost increases are being absorbed without increasing the budget
- Rates charged for usage after hours have been raised sufficiently to cover all associated expenses
- Cost as percentage of budget is comparatively low

Transportation

- Higher than average rate for meeting inspection standards
- Buses & vans run safely and on time; typical run duration
- Cost of bus maintenance and drivers is relatively moderate
 - Cooperative arrangement with Tarrytown for maint. bay & fuel
 - Use of part-time drivers
 - Annual bus/van replacement program suspended this year
- Overall cost of operation is higher than expected due to
 - Assignment of monitors to all buses instead of using monitors only as required for special needs students
 - More buses & vans being used than necessary
 - **2 elementary starting & ending times instead of 3**
 - **Relatively short walking distances by policy (voter determined)**
 - **Large number of buses & vans transporting small number of students/ vehicle out-of-district to special ed. programs and private schools**

Core Academic Program

- Regionally comparable elementary program & class sizes
- Research-based middle school model
- Regionally competitive college prep high school program, including 15 AP courses
 - Emphasis on elective courses instead of study halls
 - Access to occupational education programs via BOCES
- Students meeting state test performance targets in all categories
- Nationally recognized graduation rate for district with disadvantaged population in mid 40% range
- 90% college admission – regionally comparable rates of acceptance to highly competitive colleges & universities

Core Academic Program

- More staff needed to meet various standards
 - Elementary PE time does not meet state standards (typical)
 - MS school model not fully staffed – Gr.8 ELA, Gr. 6 Soc.St., tech, health
 - Some “extra” HS electives but HS program model not fully staffed – missing some elective course opportunities and number of classes > 30 is growing
- Elementary class sizes in region are trending upward (above current district guidelines of 20 in K-2, 22 in gr.3-4, 23 in gr.5)
- Some MS & HS class sizes large but avg. is low 20's
- More TAs (other than necessary for special ed. students) than typical

Secondary Foreign Language

- Spanish, Italian, French offered (standard)
 - Other districts starting to offer non-western language (Chinese)
- Beginning through advanced/college/AP levels
- State requirements
 - Minimum one HS credit
 - Minimum 3 HS credits for Regents with Advanced Designation
- More time scheduled for middle school program than required
- Some larger than optimal class sizes
- Strong results on state exams

Pupil Personnel Services

- PPS Director, CPSE/CSE Chair, clerical support (standard)
- Guidance Counselors
 - 2 MS counselors, 4 HS counselors supervised by PPS Asst. Prin.
 - Counselor caseloads somewhat high
- Psychologists, Social Workers, Nurses
 - Elem. psychologists & all social workers shared between buildings
 - Caseloads are above average, particularly for psychologists
 - 1 nurse/building (standard) except for shared nurse for PreK-1 buildings supplemented by shared Nurse Aide

Remedial, Special Ed. & ESL Services

- Student proficiency rates are above state targets
- Academic Intervention Services (state mandated)
 - Provided to students at risk of testing below state proficiency levels (minimal intervention specialist support after gr. 5)
 - Specialists carrying maximum caseloads
 - Not all at-risk students receiving supplementary services during school day, but additional services available after school
- Special Education (federal and state mandated)
 - 12.7% students identified with special needs is average for state
 - Progress needed in reducing amount of time in special ed. classes and ratio of students/teachers in some classes is somewhat low
 - Gradually building capacity to reduce # of out-of-district placements
- English as a Second Language (state mandated)
 - 18% of students formally identified as requiring ESL services (high)
 - Specialists carrying max. caseloads (stretched by new arrivals)
 - Some students require more services than currently available

Summer School

- English & math for middle school students
- Selected high school courses required for graduation
- Partially subsidized by out-of-district tuition students
- Low dropout rate, high course passing rate results in students staying on track for graduation
- Most districts in region do not operate summer schools

Elementary Enrichment Programs

- Foreign Language - Spanish taught to all students
 - Integrated as part of the K & 1 general education programs
 - 50% less than FLES standard instruction for gr.2
 - Standard FLES model in gr. 3-5
 - Low cost/student due to use of only 2 specialists
- Band, Orchestra, Chorus
 - Typical program for students in grades 4-5
 - Lessons during day, group rehearsal after school
 - Foundation for secondary program
- Challenge – Enrichment for most academically able students
 - Serves 20% of student population in keeping with national standards
 - Social studies research, ELA enrichment, math enrichment (gr. 2-5)
 - 2 teachers – substantial number of students served per teacher

Library Media

- Libraries in all schools
- Staffed by 2 library media specialists and 4 TAs
 - Standard for comparably sized district: 4 Lib. Specialists & 4 TAs
- “Satisfactory” level of books by NYSLA standards
- Automated card catalogue and book lending system
- Access to computers for research in gr. 2-12

Technology

- Technology Director, K-5 Technology teacher, .5 clerical
- Contracted network and computer maintenance support
- District has been at leading edge of educ. technology integration – technology no longer a supplementary program
- > 1000 computers (25% > 5 yr old replacement standard)
 - Better than average ratio of students/computer
 - Appropriate replacement cycle would be about 200 computers/yr
 - Technology equipment financed through lease – no new equipment replacement lease this year
- Classrooms equipped with SmartBoards & computer
- Average of 3-4 computers/elementary classroom
- 9 computer labs – 2 elem., 1 MS, 1 MS/HS library, 5 HS

Professional Development

- Staff training through
 - in-house programs
 - conferences, workshops
 - BOCES programs
 - Teacher centers
- Curriculum revision and development
- Multi-year training program for K-8 ELA and math instruction concludes this year
- Secondary department chairs active in mentoring
- Proportionally low level of investment

MS/HS Band, Orchestra, Chorus & Extra-Curricular Programs

- Standard Band, Orchestra, Chorus program
 - 1 large performing group & 1 specialty group for MS & HS
 - Healthy participation numbers (relatively large ratio of pupils/teacher)
 - some comparably sized districts provide separate MS & HS band and orchestra teachers
 - Strong NYSSMA participation & results
 - Top programs offer more frequent group rehearsals
- Varied range of extra-curricular options (standard for region)
 - 19 MS clubs serving about 250 students
 - 30 HS clubs serving > 1100 students

Interscholastic Athletics

- 1 Athletics Director, shared clerical support
 - AD does not supervise PE/Health, which is a common model
- Regionally standard program*
 - 22 boys sports
 - 22 girls sports (including cheerleading)
 - 3 co-ed sports
 - Pioneer League for special needs students

* Swimming & ice hockey merged – not universally offered due to high cost of access to necessary facilities
- Well rounded, competitive athletics program serving growing number of students
- Somewhat high per pupil cost relative to region

Debt Service

- District maintains an A1 Moody's rating
- Capital debt for financing construction projects
 - Debt service as proportion of budget has grown but is well under state limits as percentage of total assets
 - Debt increase impact offset by Ichabod Landing, Legends, and Hudson Harbor development revenue but not to extent it would have been if Hudson Harbor was completed as scheduled and GM site was developed as originally planned
 - Short term financing can lower cost pending retirement of old debt
- District's tax certiorari appropriation and reserve fund insufficient to cover settlements – borrowing required
- Budget does not include funding for significant equipment purchases – buses, vans, and computer technology are leased (no new leases in 2009-10)

Potential Cost Savings Opportunities based on Program Budget Analysis

Reduction of:

- Administrative expenses via reorganization
- Operations & maintenance expenses via building closure
- Buses, vans, & monitors via revised transportation policies
- Teachers via increased class sizes
- Teacher assistants not required by special education plans
- HS elective courses not essential to core academic program
- Special education expenses via program model reorganization
- Athletics program expenses
- Professional development consultant expenses
- Materials, supplies, and contractual expenses
- Technology equipment, van, and bus leasing
- Debt service increase via extending short term borrowing

Proposed Cost Savings Theme/Goal

- Focus on efficiency
- Avoid eliminating programs
 - Both discretionary and mandated program areas operating efficiently (with possible exception of some inefficiencies in special education)
- Goal: 0 increase to budget except for
 - Debt service (fixed obligation)
 - Retirement system contribution rate increase (mandated)

Budget Goal Implications

- Tax levy increase in the 5 – 6% range needed even if reductions implemented in all areas identified, including building consolidation. Assumes:
 - Reduction of total non-personnel expenses other than debt service below this year's level.
 - Reduction in total instructional and non-instructional workforce of approximately 5%

Budget Process

- Mar. 4 – Presentation of proposed budget
- Mar. 6, 13, 20 – Saturday morning work sessions
- March 18 – Budget hearing/prioritizing
- April 15 – Budget adoption
- May 6 – Budget hearing
- May 18 – Budget vote