

# 2017-'18 Salaries & Benefits Budget

Board of Education  
March 7, 2017



# Salaries & Benefits Budget Overview

- ▶ Largest component of the budget
  - ◆ Driven by labor contracts
    - Salaries
    - Health & other benefits
  - ◆ Retirement
  - ◆ Represents 64% of total cy budget (70% net of debt service)
  - ◆ Build “appropriated” fund balance into expenditure
    - Typically \$0 net budget impact

# Salaries & Benefits Budget Assumptions

- ▶ Carry forward of current year staff
- ▶ Includes retirement info



# Salaries & Benefits Budget Assumptions

- ▶ Anticipated health insurance rates
  - ◆ Budgetary increase of 4.0% for NY 44 Health Trust Plan
- ▶ 105(h) & other benefit provisions
  - ◆ No change
- ▶ Summer 20 & 11 month pay
  - ◆ Consistent
- ▶ Teachers Retirement System 13.30%
- ▶ Employee Retirement System 13.75%

# Salaries & Benefits Budget Summary

	2016-17	2017-18	\$ Change	% Change
Salaries	\$23,927,908	\$24,573,594	\$645,687	2.7%
Health Ins.	4,449,271	4,627,242	177,971	4.0%
ERS/TRS	3,393,313	3,483,454	90,141	2.7%
Other	2,337,578	2,364,438	26,860	1.1%
	<b>\$34,108,069</b>	<b>\$35,048,728</b>	<b>\$940,659</b>	<b>2.8%</b>



# Salaries

	2016-17	2017-18	Change (\$)	Change (%)
Salaries	23,927,908	24,573,594	645,687	2.7%

- ▶ Carry forward of current year staff
- ▶ Represents contractual increases
  - ◆ Complies with new minimum wage effective 1/1/2018
- ▶ Summer 20 & 11 month pay
  - ◆ Consistent with current year



# Health Benefits & Retirement

	2016-17	2017-18	Change (\$)	Change (%)
Health Ins.	4,449,271	4,627,242	177,971	4.0%
ERS/TRS	3,393,313	3,483,454	90,141	2.7%

- ▶ Health benefits
  - ◆ Health insurance
    - NY44 Health Benefit Trust
  - ◆ 105(h)
  - ◆ Life insurance
- ▶ ERS/TRS





# New York State Teachers' Retirement Rates (TRS)

	Employer Contribution Rate	Change in Rate	% Change in Rate
2005-'06	7.97%	2.34%	42%
2006-'07	8.60%	0.63%	8%
2007-'08	8.73%	0.13%	2%
2008-'09	7.63%	-1.10%	-13%
2009-'10	6.19%	-1.44%	-19%
2010-'11	8.62%	2.43%	39%
2011-'12	11.11%	2.49%	29%
2012-'13	11.84%	0.73%	7%
2013-'14	16.25%	4.41%	37%
2014-'15	17.53%	1.28%	8%
2015-'16	13.26%	-4.27%	-24%
2016-'17	11.72%	-1.54%	-12%
<b>2017-'18</b>	<b>9.80%</b>	<b>-1.92%</b>	<b>-16%</b>

- ▶ Budgeted Employee Contribution Rate
  - ◆ 13.30%
  - ◆ Long term focused
  - ◆ Objective is to minimize volatility



# New York State Employees' Retirement Rates (ERS)

Tier	2017-18	2016-17	Change	% Change
	Rate	Rate		
1	21.8%	21.8%	0.0%	0.0%
2	19.7%	19.9%	-0.2%	-1.0%
3	16.1%	16.1%	0.0%	0.0%
4	16.1%	16.1%	0.0%	0.0%
5	13.2%	13.2%	0.0%	0.0%
6	9.4%	9.4%	0.0%	0.0%



New York State and Local  
Retirement System

# New York State Employees' Retirement Rates (ERS)

Tier 4			
ERS Contribution			
Salary Year	Rate	Change	% Change
2013-14	21.10%	2.40%	12.8%
2014-15	20.40%	-0.70%	-3.3%
2015-16	18.90%	-1.50%	-7.4%
2016-17	16.10%	-2.80%	-14.8%
2017-18	16.10%	0.00%	0.0%



New York State and Local  
Retirement System

# New York State Employees' Retirement Rates (ERS)

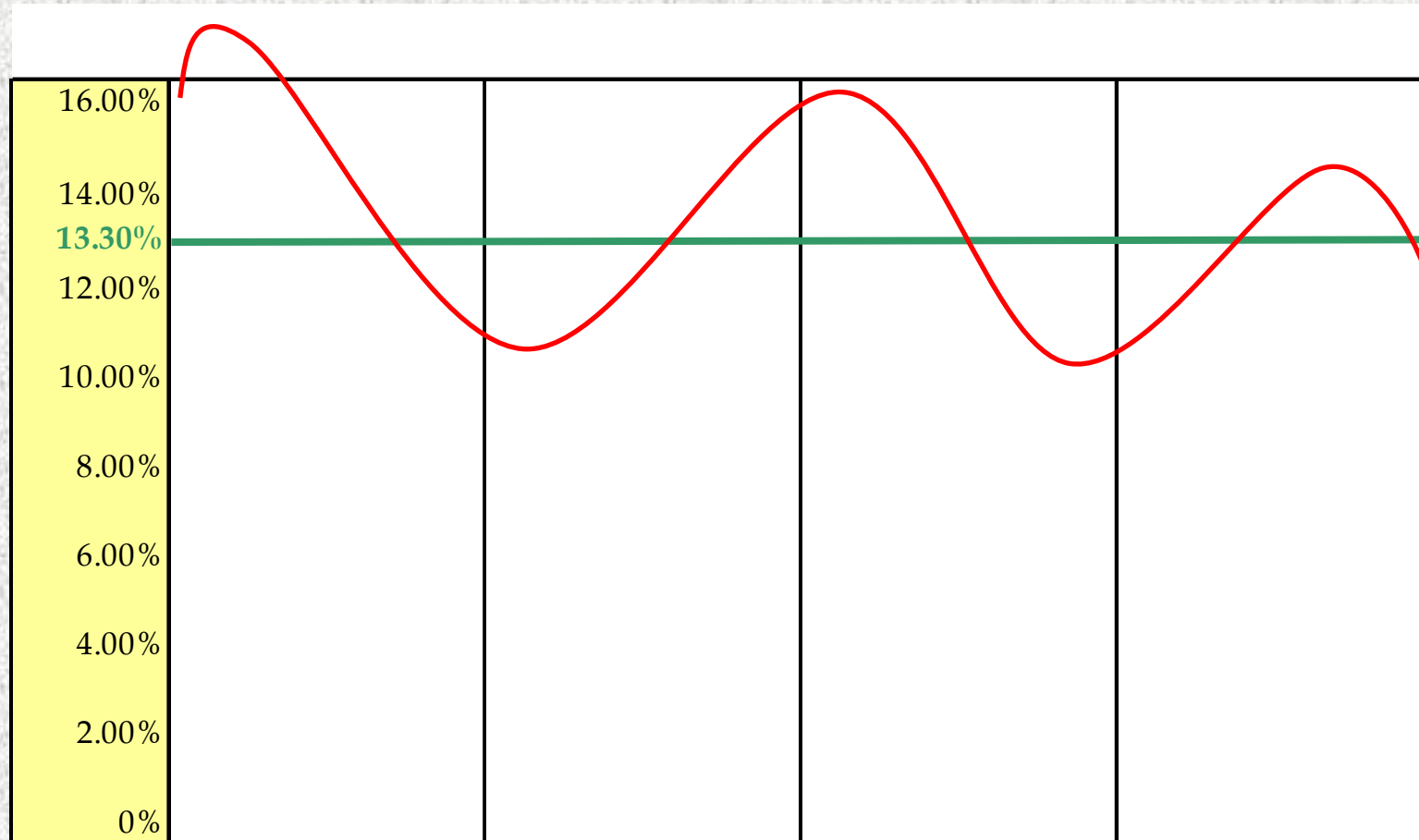
Salary Year	ERS Budgetary Contribution Rate
2012-13	12.75%
2013-14	13.50%
2014-15	13.75%
2015-16	13.75%
2016-17	13.75%
2017-18	13.75%

- ▶ Long Term Contribution Estimates
  - ◆ 10.3% - 16.8%



New York State and Local  
Retirement System

# Budgeted TRS & ERS



- ▶ Long Term Contribution Estimates 10.3% - 16.8%
- ▶ Budget TRS & ERS for the long term...
  - ◆ TRS (13.30% budgeted contribution rate)
  - ◆ ERS (13.75% budgeted contribution rate)

# Other Expense

	2016-17	2017-18	Change (\$)	Change (%)
Other	2,337,578	2,364,438	26,860	1.1%

- ▶ Other “people” driven expense
  - ◆ FICA (7.65%)
    - Correlated with salaries
  - ◆ Workers comp
  - ◆ Unemployment insurance
  - ◆ Disability
  - ◆ Separation benefit



# Appropriated Fund Balance & Reserves

- ▶ Spending plan does not ordinarily intend on using assigned fund balance or reserves
  - ◆ Cash flow/flexibility - Emergency purposes
  - ◆ Approx. \$1,100,000 exposed



# Assigned Fund Balance & Reserves

	Assigned (Other	Total PY	Total CY	\$ Change	% Change
Central	100,000	1,863,395	1,897,821	34,426	1.8%
HS	65,000	5,132,678	5,170,482	37,804	0.7%
MS	65,000	4,665,166	4,794,363	129,197	2.8%
Arcade	40,000	2,920,627	3,115,903	195,277	6.7%
Delevan	40,000	2,379,922	2,511,998	132,077	5.5%
Spec. Ed.	30,000	4,756,503	4,849,606	93,103	2.0%
Curr	0	230,893	236,552	5,659	2.5%
Tech	0	372,641	374,415	1,775	0.5%
B&G	0	1,012,917	1,012,691	-226	0.0%
Trans	0	137,811	150,674	12,863	9.3%
Athletics	0	455,357	459,090	3,733	0.8%
<b>Total Build/Dept.</b>		<b>23,927,908</b>	<b>24,573,594</b>	<b>645,687</b>	<b>2.7%</b>
Health, Pension, Other		10,180,162	10,475,134	294,972	2.9%
ERS/TRS/FICA	175,000				
Grants	1,800,000				
<b>Total</b>	<b>2,315,000</b>	<b>34,108,069</b>	<b>35,048,728</b>	<b>940,659</b>	<b>2.8%</b>

# Enrollment Info

	Elementary	Middle	High	Ungraded	Total	Change
2012-13	1,002	752	761	21	2,536	-41
2013-14	1,020	746	750	23	2,539	3
2014-15	1,024	748	732	19	2,523	-16
2015-16	1,013	712	718	22	2,465	-58
2016-17	1,050	711	728	19	2,508	43

Birth Year	Age (2016-17)	Year to Enter K	Number of Births	Actual K Enrollment	Diff.	% Diff.
2007	9	2012-13	180	174	-6	-3.3%
2008	8	2013-14	200	184	-16	-8.0%
2009	7	2014-15	190	185	-5	-2.6%
2010	6	2015-16	168	160	-8	-4.8%
2011	5	2016-17	182	185	3	1.6%
2012	4	2017-18	206			
2013	3	2018-19	172			
2014	2	2019-20	166			



# Presentations to date...

	2016-17 Budget		2017-18 Budget		Change (\$)	Change (%)
Salaries & Benefits	34,108,069	63.3%	35,048,728		940,659	2.76%
Board of Education	29,200	0.1%	29,200		-	0.00%
Central Operations	613,314	1.1%	613,314		-	0.00%
High School	281,459	0.5%	281,459		-	0.00%
Middle School	176,472	0.3%	176,472		-	0.00%
Arcade Elementary	80,470	0.1%	80,470		-	0.00%
Delevan Elementary	77,643	0.1%	77,643		-	0.00%
Curriculum	50,825	0.1%	50,825		-	0.00%
Special Education	773,390	1.4%	770,000		(3,390)	-0.44%
Technology	216,972	0.4%	216,972		-	0.00%
Athletics	225,750	0.4%	225,750		-	0.00%
BOCES						
Transportation						
Buildings & Grounds	1,552,050	2.9%	1,585,850		33,800	2.18%
Debt Service						
<b>Total</b>	<b>38,185,614</b>	<b>70.8%</b>	<b>39,156,683</b>		<b>971,069</b>	<b>2.54%</b>
<b>General Fund Budget</b>	<b>53,912,416</b>					