

Homer Central School District

Long Range Plan

Criteria and Assumptions

As of December 2008

Expenditures

Payroll - Represents 49.3% of 2008-2009 Budget

- The budget for payroll reflects a 4% increase each year.
- In 2009-2010 \$135,000 has been included in Payroll for Pre-K.
- Teacher Incentive not used in calculations (only 2 or 3 eligible in any year).
- If the student enrollment decline continues, a reallocation of staff or a reduction in staff should be considered.

Employee - Benefits Represents 19.8% of 2008-2009 Budget

- Health Insurance budget increase for next year at 7% followed by increases of 8% for 2009-2010, 10% for 2010-2011, 2011-2012 and 2012-2013.
- Additional funds for the additional Pre-K teachers are included.
- Teachers Retirement System has estimated the long term contribution to remain constant at an 8%.
- Employees Retirement System contributions are estimated the same as TRS.
- Dental Insurance is stable. A 1/2 of a percent increase each year.
- FICA is social security and Medicare employer contribution. The calculation is based upon the assumed payrolls stated in the plan.

Utilities - Represents 2.7% of 2008-2009 Budget

- The district is in the 4th year of a 5 year contract in the purchase of electricity. Transportation costs of the electricity is still anticipated to increase which is why there is a slight increase in the budget during the 5 years. A 10% increase in electrical costs is anticipated for 2010-2011 which will be the first year of the next contract.
- The district is in the 2nd year of a 5 year contract for the purchase of natural gas. Transportation costs of the natural gas is still anticipated to increase which is why there is a slight increase in the budget during the 5 years. A 10% increase is anticipated for the 2012-2013 budget which will be the first year of the next contract.

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Expenditures - Continued

Fuels - Represents 1.1% of 2008-2009 Budget

- Diesel fuel, gasoline and fuel oil have begun to decrease recently.

The decrease for 2009-2010 reflects the current decrease but allows for growth during the year. The plan assumes that fuel will increase at 10% each year for the following 4 years.

Debt Service - Represents 9.4% of 2008-2009 Budget

- Debt service costs are offset by building and transportation aid in the revenues.

The debt service increases in 2009-2010 as a result of the current capital initiative.

The bus replacement program is included and continues as in the past and current year.

All Other Expenditures - Represents 17.4% of 2008-2009 Budget

- This area includes items such as equipment, materials and supplies, textbooks and BOCES.
- All Other Expenditures are projected to increase yearly by 3%.

Revenues

State Aid - Represents 47.0% of 2008-2009 Budget

- A decrease of 5% in state aid is used for 2009 - 2010 with a 3% increase being used for the following 4 years. The current governor has stressed the need to reduce state spending as a result of the current fiscal deficit in the state budget.

Pre-Kindergarten - Represents 0% of 2008-2009 Budget

- \$150,000 has been included for Pre-K aid beginning in the 2009-2010 year in anticipation of the district moving in that direction. It is unclear as to how long the funding would be available.

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As of December 2008

Revenues Continued

Building Aid - Represents 7.3% of 2008-2009 Budget

- Aid is projected based on the debt service schedule.

Interest Earnings - Represents 1.1% of 2008-2009 Budget

- Interest earnings remain the same over the plan.

Tax Levy - Represents 37.5% of 2008-2009 Budget

- The tax levy is based on the assumptions that are outlined. If either the expenditures or the state aid changes the tax levy will be impacted.

Fund Balance - Represents 1.2% of 2008-2009 Budget

- Fund Balance remains constant.

Federal Programs - Represents 2.9% of 2008-2009 Budget

- Federal funds have been decreasing in recent years. The plan continues this trend.

The federal programs have been decreased by 1/2 of a percent each year of the plan.

All Other Revenues - Represents 3.1% of 2008-2009 Budget

- All other revenues have been increased by 1/2 of a percent each year of the plan.

Homer Central School District						
Long Range Financial Plan - 5 Year Projection						
<u>Projected Expenditures</u>	<u>Current Year 2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Total Payroll	\$ 18,404,686	\$ ① 19,293,240	\$ 20,199,970	\$ 21,007,969	\$ 21,848,288	\$ 22,722,219
Employee Benefits	\$ 7,400,005	\$ 7,695,514	\$ 8,294,786	\$ 8,978,910	\$ 9,724,722	\$ 10,538,010
Utilities	\$ 1,001,500	\$ 1,021,530	\$ 1,083,169	\$ 1,104,832	\$ 1,169,080	\$ 1,192,461
Fuels	\$ 391,000	\$ 309,500	\$ 340,450	\$ 374,495	\$ 411,945	\$ 453,139
Debt Service	\$ 3,496,745	\$ 3,778,006	\$ 4,833,222	\$ 4,736,479	\$ 4,642,260	\$ 4,514,479
All Other Appropriations	\$ 6,504,114	\$ 6,699,237	\$ 6,900,215	\$ 7,107,221	\$ 7,320,438	\$ 7,540,051
Total Appropriations	\$ 37,198,050	\$ 38,797,027	\$ 41,651,812	\$ 43,309,905	\$ 45,116,731	\$ 46,960,359
Annual Planned Balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Grand Total Budget	\$ 37,298,050	\$ 38,897,027	\$ 41,751,812	\$ 43,409,905	\$ 45,216,731	\$ 47,060,359
Percent of Change		4.29%	7.34%	3.97%	4.16%	4.08%
<u>Projected Revenues</u>						
State Aid	\$ 17,537,760	\$ 16,660,872	\$ 17,160,698	\$ 17,675,519	\$ 18,205,785	\$ 18,751,958
Pre-Kindergarten	\$ -	\$ ① 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Building Aid	\$ 2,704,310	\$ 3,400,205	\$ 4,349,900	\$ 4,262,831	\$ 4,178,034	\$ 4,063,031
Interest Earnings	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Tax Levy	\$ 13,969,410	\$ 15,599,099	\$ 17,004,025	\$ 18,233,974	\$ 19,594,882	\$ 21,006,834
Appropriated Fund Balance	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Federal Programs	\$ 1,090,160	\$ 1,084,709	\$ 1,079,286	\$ 1,073,889	\$ 1,068,520	\$ 1,063,177
All Other Revenues	\$ 1,146,410	\$ 1,152,142	\$ 1,157,903	\$ 1,163,692	\$ 1,169,511	\$ 1,175,358
Total Revenues	\$ 37,298,050	\$ 38,897,027	\$ 41,751,812	\$ 43,409,905	\$ 45,216,731	\$ 47,060,359
① - Includes Pre-K						