

2018-19 PRELIMINARY BUDGET
BUDGET OVERVIEW – Narrative
DR. PETER GIARRIZZO
February 8, 2018

The Superintendent’s preliminary budget for the 2018-2019 academic year will result in a tax levy increase that is fully compliant with the tax cap legislation set forth in law while also maintaining favorable class size, all general and special education programs, and all extracurricular and athletic programs. As such, we set out to develop a responsible budget that manages the District’s short and long term finances while preserving programs and identifying operational efficiencies.

The preliminary budget of \$104,868,518.83 represents an increase from 2017-18 of \$2,755,003.97 and a tax levy increase of 1.89%. The maximum allowable state tax cap according to New York State law for the North Shore Schools for 2018-2019 is 2.24%. This represents a budget-to-budget change of 2.698%, which is the sixth lowest percentage increase in 25 years.

Over the past several years, the North Shore Schools have worked to enact our Shared Valued Outcomes and committed resources to develop and implement them with fidelity. This work has strengthened our approaches to learning and refined our teaching practices through an aggressive agenda for student learning. As a result, student achievement is among the highest within the region, desirable class size is preserved, and our schools are structured and supported with the necessary resources for children to excel academically, socially, and athletically.

The motto of the North Shore Schools is “Discovering Your Dreams,” and all that we do is crafted around enabling our students and staff to achieve our mission. Well-developed budgets tell stories and they need to reflect the values of the organization. Thus, the expense plan must adequately support student achievement, staffing to support programming, supplies, materials, and other resources so that teachers and students have the necessary tools to be successful. Over the course of time, great effort has been made to ensure that our short-term, medium-term, and long-term work is tied to the mission of the school district. My preliminary budget for the 2018-2019 academic year is no exception.

There are many factors that influence the development of the operating budget. Most of these factors are out of our control, but need to be recognized as primary budget drivers. They include the following:

1. Salaries and benefits comprise 81.49% of the budget. Specifically, 56.48% of the budget is comprised of salaries and 25.01% is comprised of employee benefits. The primary budget driver was a \$1,558,831.82 contractual increase in salaries for all employees.
2. An increase of \$1,118,534.30 in employee benefits is the direct result of state-mandated contributions to retirement pension systems and health insurance costs that are projected to be more than the prior year.
3. On the revenue side, the projected State Aid did not increase as reflected in the Governor’s Executive Budget released on January 16, 2018, rather it decreased by \$107,253.00. This calculation was due to a revision of the 2017-18 data used to project the Aid. The District’s allocation in the 2017-18 Governor’s Executive Budget was revised down from \$5,331,389.00 to \$5,070,254.00 because a number of building projects scheduled for completion were delayed. The projected increase of \$153,882.00 was derived by comparing the 2018-19 allocation of \$5,224,136.00 to the revised estimate of \$5,070,254.00.

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As we move forward, the spending plan will enable us to begin implementing a Five-Year Strategic Plan as well as building a structure to manage our facilities and ensure that our buildings are able to meet the learning needs of our students within a 21st Century framework.

The development of the 2018-2019 preliminary budget began in October. A highly collaborative approach was taken to develop the budget. Our Assistant Superintendents partnered with me as we met with each administrator to examine every line of the budget. As stated earlier, this budget tells a story of supporting students to achieve and be prepared for future opportunities. It also allows us the ability to incorporate our Shared Valued Outcomes while advancing our efforts in the areas of social emotional learning and wellness. As such, this budget supports inquiry-based learning, collaboration, communication, innovation, problem solving and the development of strong content knowledge.

This preliminary budget acknowledges the consistent use of reserves/fund balance. A primary goal is to continue to offset the expenses that drive the tax levy with revenues. While the 2018-2019 preliminary budget continues to utilize \$1,200,000 in appropriated fund balance, I would recommend that the Board of Education explore the feasibility of reducing this apportionment of funding should State Aid allocations increase. This preliminary budget also utilizes \$2,350,000.00 of reserves. This includes \$1,200,000.00 from the Employee Retirement System (ERS) Reserve; \$350,000 from the former Tax Certiorari Reserve which was liquidated, and \$800,000.00 from the Grant secured by Senator Marcellino and Assemblyman Lavine. Together, the total application of reserves/fund balance to supplement revenue in the 2018-2019 budget represents 3.39% of the budget. The inclusion of increases in State Aid, once the legislature approves a budget, will afford us opportunities to continue to explore efficiencies in this area.

Class size is always an issue to which we pay close attention. North Shore remains a community that enjoys a strong housing market that is primarily attributable to the strength of our schools. I am pleased to report that favorable and equitable class sizes are maintained across the three elementary schools, and they will be carefully monitored until school opens in September. Furthermore, all existing academic and athletic programs remain in place and there are additions that will enhance the total educational experiences of our students. Highlighted expenditures within the budget include the following:

- The expansion of reading support at Glenwood Landing due to increased enrollment;
- Expansion of General Music at Glenwood Landing due to increased enrollment;
- The expansion of Mandarin at Glenwood Landing, North Shore Middle School and the North Shore High School;
- The addition of an Instructional Technology Resource specialist at North Shore Middle School to support strengthened technology integration;
- Additional supervision at Sea Cliff Elementary to ensure safety during lunch periods;
- The expansion of Advanced Placement coursework, and the continuation of all required and elective coursework at North Shore Middle School and North Shore High School;
- The expansion of the District's Chromebook initiative to all students in (*incoming*) grades 5 and 9; (*incoming*) grade 6 received their Chromebooks in 2017-18.

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In order to provide our students with a world-class education, we need to be sure that our teachers receive the necessary training and tools to provide the level of instruction necessary to meet this goal. The proposed budget funds the continuation of the training of our staff related to supporting our core program as well as the various recommendations from the many existing task forces and committees. At the high school level, we believe that the continued implementation of the International Baccalaureate Programme will serve as the key framework to direct our professional development, instructional program, assessment practices, and supervision in grades 9 through 12. By doing so, we reaffirm our commitment to continuous improvement and outcomes that promote the excellence we seek. This, in combination with a strong program in Advanced Placement enables all students to achieve at high levels.

As this is merely a preliminary budget, I want to emphasize that our public sessions and line-by-line analysis will begin on February 8th and will continue through March. It is our expectation that through the thoughtful analysis of this budget, questions will be raised and valuable input will be sought that will ultimately lead to the adoption of a budget by the North Shore Board of Education that best reflects the values of our learning community. This preliminary budget is the first step in that journey which will culminate in the school board member election and budget vote on Tuesday, May 15, 2018.

I would like to offer my most sincere thanks to the Board of Education for their clear direction setting. Students are the primary beneficiaries when policy makers are focused on strong instructional outcomes. I extend my appreciation to our Assistant Superintendent for Business, Ms. Olivia Buatsi, and Ms. Lois Straber. Both have worked tirelessly to support my vision for continued excellence and have exceeded my expectations. It is important to recognize the hard work of Mr. Robert Chlebicki, Assistant Superintendent for Instruction and our team of subject area directors, who are so keenly focused on student achievement. Finally, I wish to commend our building administrators who have crafted budgets that support learning in purposeful ways. The work that they have put into proposing budgets that are so clearly collaborative in nature is evident through every line of this proposed budget.

It is with great pride that I present the 2018-2019 preliminary budget to the Board of Education. As fiscal resources continue to diminish, we have worked exceedingly hard to preserve our academic program for the benefit of our students. We are uniquely positioned this year to present a preliminary budget with additions to enhance our academic programs.