

**Hudson City School District Board of Education**  
**BUDGET COMMITTEE MEETING**

*January 22, 2013*

This meeting of the Budget Committee focused on the preliminary budget gap figure.

The group discussed the anticipated state aid figures for the 2013-2014 school year. Based on experience from previous years, the group anticipates questions from the community regarding special education costs. The district's annual budget figures, including revenue from state aid, are based on the number of special education students at the time the budget is developed. As the number of students and the special needs of students change from year to year (and often even during a single school year), these figures are only estimates and can show a substantial budget vs. actual variance. There was discussion regarding the difference in reimbursement rate of private SpEd placements vs. BOCES placements. The group acknowledged that special education costs have risen each year despite the decreasing number of SpEd students, despite efforts to cut costs wherever possible (e.g. transportation, private vs. public placements, etc.)

Bobby Yusko provided details on the anticipated increase in mandated Teachers' Retirement System (TRS) and Employees' Retirement System (ERS) contributions. It is estimated that ERS contributions will increase from 18.9% to 20.9%, and the TRS contributions will increase from 11.84% to somewhere between 15.5% and 16.5%. Bobby is budgeting a worst case scenario for the TRS increase (i.e. 16.5%). The state has proposed a possible freeze on pension contributions, but this would only defer those additional contributions to future years.

Bobby Yusko discussed the tax cap calculation, and what the maximum allowable levy would be.

The group discussed the income from the potential sale of the Claverack School building and how the proceeds from the sale are allocated to the debt reserve fund.

Maria Suttmeier and Bobby Yusko are planning to ask administrators to be prepared for outside the box thinking in their budget planning meeting of January 29<sup>th</sup>.