

**Sachem Central School District  
2013-14 Budget**

**Notes to Various 2013-14 Budget Options  
April 10, 2013 Board Meeting**

Page

- 1 Changes which have occurred and are now incorporated into 2013-14 Budget
- A. Elem. lower enrollment and grades 6-12 divisor of 27 students  
(Reduction 20 Secondary Teachers and 1 Elementary)
  - B. Retirees (26 FTE)
  - C. Health Insurance rate reduction
  - D. Revised state aid based upon NYS Legislative Adopted Budget
- Tax Rate Increase result of above is 12.530%

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**The following pages reflect budgeting with pension smoothing**

- 2 Reductions in expenditures including pension smoothing to lower tax rate
- A. Least impact on students
  - B. Increase in child care fee and building usage fee
  - C. Pension Smoothing
- If in the event there is BOE consensus to submit this proposal to the community on May 21, 2013 the proposed 2013-14 budget would be \$293,358,372 (Current 2012-13 budget is \$291,358,344 an increase of \$2,000,028 or a .7% increase, which is less than 1.0%)  
Tax Rate Increase result of above is 7.680%
- 3 Continuation of page 2 with further reductions to reach the tax cap
- Tax Rate Increase result of above is 3.140%
- 3a Detail of closing 2 middle schools
- 4 Continuation of page 3 with further reductions to attain a zero levy increase
- Tax Rate Increase result of above is 0.000%

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**The following pages reflect budgeting without pension smoothing**

- 5 Reductions in expenditures without pension smoothing to lower tax rate
- A. Least impact on students
  - B. Increase in child care fee and building usage fee
  - C. Pension Smoothing
- Tax Rate Increase result of above is 9.430%
- 6 Continuation of page 2 with further reductions to reach the tax cap
- Tax Rate Increase result of above is 4.910%
- 7 Continuation of page 3 with further reductions to attain a zero levy increase
- Tax Rate Increase result of above is 0.000%

Attachments: Average Daily Tax Change With and Without Pension Smoothing  
Information from NYS Teacher Retirement System  
1 Student Above Target Only in Certain Grade Levels

**2013-2014  
Budget Status Report**

Area		Increase/ Decrease	Change Tax Rate
<u>Expense Items</u>		<b>304,641,296</b>	<b>13.610% *</b>
4/3/2012	Elem. Lower Enrollment & 6-12 Grade Divisor is 27 (21 FTE)	-1,575,000	-0.987%
4/3/2012	(Reduction of 20 Secondary and 1 Elementary)	582,260	0.365%
4/3/2012	Retirees (26 FTE)	-2,720,000	-1.705%
4/3/2012	Health Insurance rate reduction	-489,695	-0.307%
4/3/2012	TRS Rate Increase	309,401	0.194%
<u>Revenue</u>			
4/3/2012	January 23, 2013 State Aid Change - Executive Proposal	-4,663,425	2.924% *
4/3/2012	State Aid increase (High Tax Aid/ Build Aid Recalc)	2,431,637	-1.525%
Sub-total		-3,893,034	
		<b>300,748,262</b>	<b>12.530%</b>

\*Original 2013-14 Rollover Budget was 16.53% (13.610+2.924)

**2013-2014  
Budget Status Report with Pension Smoothing**

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Cost	Total	Change Tax Rate
	<b>All Cuts From Page 1</b>		<b>300,748,262</b>			<b>12.530%</b>
	<u><b>Expense Items</b></u>					
4/10/2013	*Pension Smoothing Teachers' Retirement		-2,784,605		-2,784,605	-1.746%
4/10/2013	Increase Elem. Class Size by 1 (12 FTE)		-900,000	194,400	-705,600	-0.442%
4/10/2013	25% Reduction All Supplies		-550,000		-550,000	-0.345%
4/10/2013	Custodial (6 FTE)	6,942,699	-420,000	97,200	-322,800	-0.202%
4/10/2013	Hallway Aides (40 FTE)		-330,000	160,000	-170,000	-0.107%
4/10/2013	Attendance Aides (9 FTE)		-365,013	108,000	-257,013	-0.161%
4/10/2013	ERS Rate Option		-325,393		-325,393	-0.204%
4/10/2013	Gate Program (4 FTE)	321,196	-321,196	64,800	-256,396	-0.161%
4/10/2013	Response to Intervention (4 FTE)		-300,000	64,800	-235,200	-0.147%
4/10/2013	Student Accident Insurance	279,000	-279,000		-279,000	-0.175%
4/10/2013	Admin./Supervisors (2 FTE)		-235,071	32,400	-202,671	-0.127%
4/10/2013	Ancillary Teachers (3 FTE)		-225,000	48,600	-176,400	-0.111%
4/10/2013	Maintenance (3 FTE)	1,502,858	-210,000	48,600	-161,400	-0.101%
4/10/2013	Remedial Reading (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Secondary Teachers (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Grounds (2 FTE)	1,017,473	-140,000	32,400	-107,600	-0.067%
4/10/2013	BOCES Professional Development	170,000	-120,000		-120,000	-0.075%
4/10/2013	Office Aides	115,000	-115,000	72,000	-43,000	-0.027%
4/10/2013	In-District Field Trips		-100,000		-100,000	-0.063%
4/10/2013	Transportation Code Reduction		-100,000		-100,000	-0.063%
4/10/2013	50% Clerical OT/Subs		-78,000		-78,000	-0.049%
4/10/2013	Guidance Counselors (1 FTE)	3,279,039	-75,000	16,200	-58,800	-0.037%
4/10/2013	Piano Tuning/Instrument Repair	55,000	-55,000		-55,000	-0.034%
4/10/2013	School Communication Aides (2 FTE)		-46,000	24,000	-22,000	-0.014%
4/10/2013	50% Travel & Conference		-20,000		-20,000	-0.013%
4/10/2013	Professional Development Administrative	25,000	-13,000		-13,000	-0.008%
4/10/2013	Principal Aides - 2 Stipends	92,720	-12,000		-12,000	-0.008%
4/10/2013	BOCES Negotiation Information Service	4,812	-4,812		-4,812	-0.003%
4/10/2013	Addition Chairperson Stipend		6,000		6,000	0.004%
	<b>subtotal</b>		<b>-8,418,090</b>	<b>1,028,200</b>	<b>-7,389,890</b>	
	<b>Current Expense Budget Sub-Total</b>		<b>293,358,372</b>	<b>1,028,200</b>	<b>-7,389,890</b>	<b>7.897%</b>

\* There is a 7 year repayment, anticipated interest would be approximately \$1 million

	<u><b>Revenue</b></u>					
4/10/2013	Child Care Increase 20%		200,000			-0.125%
4/10/2013	Building Usage Increase \$2 per hour		80,000			-0.050%
	<b>Current Revenue and Expense Budget Sub-total</b>					<b>7.680%</b>
	<b>Includes Pension Smoothing (Adj. due to rounding)</b>					

2013-2014  
Budget Status Report with Pension Smoothing

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Costs	Total	Change Tax Rate
	All Cuts from Page 1 & 2		293,358,372			7.680%
	<u>Expense Items</u>					
4/10/2013	Two Middle Schools including MS Sports Varsity Level Only-		-2,766,589		-2,766,589	-1.735%
4/10/2013	50% Reduc. Inter-scholastic athletics		-1,020,289		-1,020,289	-0.640%
4/10/2013	Administrative Reduction		-171,512	16,200	-155,312	-0.097%
4/10/2013	1/2 Day Kindergarten (22 FTE)		-1,650,000	445,500	-1,204,500	-0.755%
4/10/2013	50 % Reduc. Kindergarten Aides (22 FTE)		-412,000	297,000	-115,000	-0.072%
4/10/2013	1/2 Day Kindergarten Transportation		272,800		272,800	0.171%
4/10/2013	50% Reduction in Non-Mandated Music - Reduction in Music Program (9 FTE)		-675,000	145,800	-529,200	-0.332%
4/10/2013	50% Reduc. of Co-Curricular clubs		-315,689		-315,689	-0.198%
4/10/2013	Assistant Principals (2 FTE)		-295,214	32,400	-262,814	-0.165%
4/10/2013	Elem. Librarians (6 FTE/Split)		-450,000	97,200	-352,800	-0.221%
4/10/2013	Social Workers (7 FTE)		-600,000	129,600	-470,400	-0.295%
4/10/2013	D/W Clerical (5 FTE)		-325,000	81,000	-244,000	-0.153%
		Sub Total	-8,408,493	1,244,700	-7,163,793	
	Current Expense Budget Sub-Total		286,194,579	1,244,700	-7,163,793	3.140%

Closing of Two Middle Schools

Position		Salary & benefits	Unemployment	Savings
Principal	2	323,337	-42,120	281,217
Asst. Principal	2	295,214	-42,120	253,094
Sr. Clerk Typist	2	124,020	-42,120	81,900
Clerk Typist	6	333,720	-126,360	207,360
MS Chief Custodian	2	154,178	-42,120	112,058
Custodian	6	399,645	-126,360	273,285
Attendance Aide	2	81,115	-42,120	38,995
Hallway Monitor	12	144,000	-126,360	17,640
RN	2	108,070	-42,120	65,950
SCA	2	46,032	-42,120	3,912
Social Worker	2	150,000	-42,120	107,880
Psychologist	2	150,000	-42,120	107,880
Guidance	6	450,000	-126,360	323,640
Librarian	2	150,000	-42,120	107,880
MS Teachers	20	<u>1,500,000</u>	<u>-421,200</u>	<u>1,078,800</u>
		4,409,330	-1,347,840	3,061,490

Personnel Savings	\$3,061,490
LIPA Savings	117,000
National Grid Savings	<u>54,000</u>
Savings	\$3,232,490

Additional cost	
Transportation	-791,450

Middle School Sports	325,549
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Total Savings for	
Closing Two Middle	<u>\$2,766,589</u>
Schools	

2013-2014  
Budget Status Report with Pension Smoothing

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Costs	Total	Change Tax Rate
	All Cuts from Page 1, 2 & 3		286,194,579			3.140%
	<u>Expense Items</u>					
4/10/2013	Elimination Of Elem. Library Program (6 FTE)		-450,000	97,200	-352,800	-0.221%
4/10/2013	Elimination Of All Co-Curricular Clubs		-315,689		-315,689	-0.198%
4/10/2013	Guidance Counselors (5 FTE)		-375,000	81,000	-294,000	-0.184%
4/10/2013	School Communication Aides (2 FTE)		-46,000	24,000	-22,000	-0.014%
4/10/2013	1/2 of Occ Education Program		-953,663		-953,663	-0.598%
4/10/2013	Elimination of Kindergarten (22 FTE)		-1,650,000	356,400	-1,293,600	-0.811%
4/10/2013	Elimination of Kindergarten Aides (22 FTE)		-412,000	330,000	-82,000	-0.051%
4/10/2013	Half Day Kindergarten Transportation		-272,800		-272,800	-0.171%
4/10/2013	Social Workers (5 FTE)		-375,000	81,000	-294,000	-0.184%
4/10/2013	Chairpersons (6 FTE)		-450,000	97,200	-352,800	-0.221%
4/10/2013	Chairpersons Stipends		-344,314		-344,314	-0.216%
4/10/2013	Summer Guidance		-190,000		-190,000	-0.119%
4/10/2013	Elimination Science Research Program (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Chairpersons Summer		-134,500		-134,500	-0.084%
4/10/2013	Psychologist (2 FTE)		-150,000	32,400	-117,600	-0.074%
	Sub Total		-6,268,966	1,131,600	-5,137,366	
	Current Expense Budget Sub-Total		281,057,213	1,131,600	-5,137,366	0.000%

2013-2014  
Budget Status Report without Pension Smoothing

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Cost	Total	Change Tax Rate
	All Cuts From Page 1		300,748,262			12.530%
	<u>Expense Items</u>					
4/10/2013	Inc. Elem. Class Size by 1 (12 FTE)		-900,000	194,400	-705,600	-0.442%
4/10/2013	25% Reduction All Supplies		-550,000		-550,000	-0.345%
4/10/2013	Custodial (6 FTE)	6,942,699	-420,000	97,200	-322,800	-0.202%
4/10/2013	Hallway Aides (40 FTE)		-330,000	160,000	-170,000	-0.107%
4/10/2013	Attendance Aides (9 FTE)		-365,013	108,000	-257,013	-0.161%
4/10/2013	ERS Rate Option		-325,393		-325,393	-0.204%
4/10/2013	Gate Program (4 FTE)	321,196	-321,196	64,800	-256,396	-0.161%
4/10/2013	Response to Intervention (4 FTE)		-300,000	64,800	-235,200	-0.147%
4/10/2013	Student Accident Insurance	279,000	-279,000		-279,000	-0.175%
4/10/2013	Admin./Supervisors (2 FTE)		-235,071	32,400	-202,671	-0.127%
4/10/2013	Ancillary Teachers (3 FTE)		-225,000	48,600	-176,400	-0.111%
4/10/2013	Maintenance (3 FTE)	1,502,858	-210,000	48,600	-161,400	-0.101%
4/10/2013	Remedial Reading (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Secondary Teachers (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Grounds (2 FTE)	1,017,473	-140,000	32,400	-107,600	-0.067%
4/10/2013	BOCES Professional Development	170,000	-120,000		-120,000	-0.075%
4/10/2013	Office Aides	115,000	-115,000	72,000	-43,000	-0.027%
4/10/2013	In-District Field Trips		-100,000		-100,000	-0.063%
4/10/2013	Transportation Code Reduction		-100,000		-100,000	-0.063%
4/10/2013	50% Clerical OT/Subs		-78,000		-78,000	-0.049%
4/10/2013	Guidance Counselors (1 FTE)	3,279,039	-75,000	16,200	-58,800	-0.037%
4/10/2013	Piano Tuning/Instrument Repair	55,000	-55,000		-55,000	-0.034%
4/10/2013	School Communication Aides (2 FTE)		-46,000	24,000	-22,000	-0.014%
4/10/2013	50% Travel & Conference		-20,000		-20,000	-0.013%
4/10/2013	Prof. Development Administrative	25,000	-13,000		-13,000	-0.008%
4/10/2013	Principal Aides - 2 Stipends	92,720	-12,000		-12,000	-0.008%
4/10/2013	BOCES NIS	4,812	-4,812		-4,812	-0.003%
4/10/2013	Addition Chairperson Stipend		6,000		6,000	0.004%
4/10/2013						
	Sub Total		-5,633,485	1,028,200	-4,605,285	
	Current Expense Budget Sub-Total		296,142,977	1,028,200	-4,605,285	9.630%
	<u>Revenue</u>					
4/10/2013	Child Care Increase 20%	200,000				-0.125%
4/10/2013	Building Usage Increase \$2 per hour	80,000				-0.050%
	Current Revenue and Expense Budget Sub-total (Adjustment due to rounding)					9.430%

**2013-2014**  
**Budget Status Report without Pension Smoothing**

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Cost	Total	Change Tax Rate
	All Cuts from Page 1 & 2		296,142,977			9.430%
	<u>Expense Items</u>					
4/10/2013	Two Middle Schools including MS Sports		-2,766,589		-2,766,589	-1.735%
4/10/2013	50% Reduc. Inter-scholastic athletics		-1,191,801		-1,191,801	-0.747%
4/10/2013	Administrative Reduction		-171,512	16,200	-155,312	-0.097%
4/10/2013	1/2 Day Kindergarten (22 FTE)		-1,650,000	445,500	-1,204,500	-0.755%
4/10/2013	50 % Reduc. Kindergarten Aides (22 FTE)		-412,000	330,000	-82,000	-0.051%
4/10/2013	1/2 Day Kindergarten Transportation		272,800		272,800	0.171%
4/10/2013	50% Reduction in Non-Mandated Music -					
4/10/2013	Reduction of Music Program (9 FTE)		-675,000	145,800	-529,200	-0.332%
4/10/2013	50% Reduc. of Co-Curricular clubs		-315,689		-315,689	-0.198%
4/10/2013	Guidance Counselors (2 FTE)		-150,000	32,400	-117,600	-0.074%
4/10/2013	Assistant Principals (2 FTE)		-295,214	32,400	-262,814	-0.165%
4/10/2013	Elem. Librarians (6 FTE/Split)		-450,000	97,200	-352,800	-0.221%
4/10/2013	Social Workers (5 FTE)		-375,000	81,000	-294,000	-0.184%
4/10/2013	D/W Clerical (5 FTE)		-325,000	81,000	-244,000	-0.153%
		Sub Total	-8,505,005	1,261,500	-7,243,505	4.910%
	Current Expense Budget Sub-Total		288,899,473	1,261,500	-7,243,505	4.910%



**2013-2014**  
**Budget Status Report without Pension Smoothing**

Date	Area	Original Budget	Increase/ Decrease	Unemploy. Cost	Total	Change Tax Rate
	All Cuts from Page 1, 2 & 3		288,899,473			4.910%
	<u>Expense items</u>					
4/10/2013	Elementary/Secondary Staff (12 FTE)	-900,000	194,400	-705,600	-0.442%	
4/10/2013	Elimination of Music - NY State Min. (9 FTE)	-675,000	145,800	-529,200	-0.332%	
4/10/2013	Elimination of Elementary Library Program (6 FTE)	-450,000	97,200	-352,800	-0.221%	
4/10/2013	Elimination of Co-Curricular Clubs	-315,689		-315,689	-0.198%	
4/10/2013	Guidance Counselors (4 FTE)	-300,000	64,800	-235,200	-0.147%	
4/10/2013	Drug & Alcohol Counselors (4 FTE)	-209,568	64,800	-144,768	-0.091%	
4/10/2013	ESL (2 FTE)	-150,000	32,400	-117,600	-0.074%	
4/10/2013	School Communication Aides (2 FTE)	-46,000	24,000	-22,000	-0.014%	
4/10/2013	1/2 of Occ Education Program	-953,663		-953,663	-0.598%	
4/10/2013	Elimination of Half Day Kindergarten (22 FTE)	-1,650,000	356,400	-1,293,600	-0.811%	
4/10/2013	50 % Reduc. Kindergarten Aides (22 FTE)	-412,000	330,000	-82,000	-0.051%	
4/10/2013	Half Day Kindergarten Transportation	-272,800		-272,800	-0.171%	
4/10/2013	50% Reduction in Security	-1,015,655	162,000	-853,655	-0.535%	
4/10/2013	Social Workers (10 FTE)	-750,000	162,000	-588,000	-0.369%	
4/10/2013	Chairpersons (6 FTE)	-450,000	97,200	-352,800	-0.221%	
4/10/2013	Chairpersons Stipends	-344,314		-344,314	-0.216%	
4/10/2013	Summer Guidance	-190,000		-190,000	-0.119%	
4/10/2013	Science Research Teachers (2 FTE)	-150,000	32,400	-117,600	-0.074%	
4/10/2013	Chairpersons Summer	-134,500		-134,500	-0.084%	
4/10/2013	Psychologist (2 FTE)	-150,000	32,400	-117,600	-0.074%	
	Sub Total	-9,519,189	1,795,800	-7,723,389	0.000%	
	Current Expense Budget Sub-Total	281,176,084	1,795,800	-7,723,389	0.000%	

Sachem Central School District  
 2013-2014 Budget  
 Average Daily Tax Change Compared to Budget Reductions  
 Board of Education Meeting  
 Wednesday, April 10, 2013  
 With Pension Smoothing

<u>Tax Rate Change</u>	<u>Reduction in Budget</u>	<u>Avg. Annual Tax Change</u>	<u>Avg. Daily Tax Change</u>	<u>Avg. Daily Change to Rollover budget</u>
12.53%		809	2.22	
7.68%	7,389,890	496	1.36	-0.86
3.14%	7,163,793	203	0.56	-1.66
0.00%	5,137,366	0.00	0.00	-2.22

Average Daily Tax Change

Sachem Central School District  
 2013-2014 Budget  
 Average Daily Tax Change Compared to Budget Reductions  
 Board of Education Meeting  
 Wednesday, April 10, 2013  
 Without Pension Smoothing

<u>Tax Rate Change</u>	Reduction in <u>Budget</u>	Avg. Annual <u>Tax Change</u>	Avg. Daily <u>Tax Change</u>	Avg. Daily Change to <u>Rollover budget</u>
12.53%		809	2.22	
9.43%	4,605,285	609	1.67	-0.55
4.91%	7,243,505	314	0.86	-1.36
0.00%	7,723,389	0.00	0.00	-2.22

Average Daily Tax Change

The logo for the New York State Teachers' Retirement System (NYSTRS) is a black rectangle with the letters "STRS" in white, bold, sans-serif font.**New York State Teachers' Retirement System**10 Corporate Woods Drive  
Albany, New York 12211-2395(800) 356-3128 or (518) 447-2666  
NYSTRS.org

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**Stable Contribution Option for Certain  
NYSTRS Participating Employers**

Chapter 57 of the Laws of 2013, Part BB, provides NYSTRS with the option of offering a seven-year stable contribution plan to BOCES, public school districts and charter schools that are participating employers. Governor Cuomo signed the bill into law March 29, 2013. The NYSTRS Board is expected to decide at its April 25, 2013 meeting whether to adopt the plan.

Following is a summary of the law's provisions for eligible employers electing to participate.

**Employer Contribution Rates (ECRs):**

<b>Seven Years of Stable Contributions</b>		
<b>Year</b>	<b>Rate</b>	<b>Applicable School Year Payroll</b>
One	14.0%	2013-14
Two	14.0%	2014-15
Three	16.0%*	2015-16
Four	16.0%*	2016-17
Five	18.0%*	2017-18
Six	18.0%*	2018-19
Seven	18.0%*	2019-20

\* The law grants the NYSTRS Board the discretion to increase the rate by up to 2.0% in year three (to a maximum of 16%) and year five (to a maximum of 18%) if necessary to meet fiduciary obligations.

Beginning in Year Eight (2020-21) employers will return to paying the actuarially required contribution rate as calculated by NYSTRS.

In addition to the above stable rates, employers will be required to pay the group life insurance rate (currently equal to 0.13% of pay) and to make any remaining payments required as a result of participation in an early retirement incentive program.

**Employer Opt-In Period:** Employers must file an election to participate with NYSTRS during the period 7/1/2013—6/30/2014. For plan participants, the stable contribution rate will first apply to pension bills collected in fall 2014 (i.e. rate applicable to 2013-14 member salaries).

# Stable Contribution Option

(Chapter 57 of the Laws of 2013)

Plan Year	Stable Rate	Estimated Actuarially Required Rate	Percentage of TRS Member Payroll Deferred	Repayment	
2013-14 (Yr. 1)	14.0%	16.25%	2.25%	N/A	
2014-15 (Yr. 2)	14.0%	Estimated rate available Feb. 2014	TBD	N/A	
2015-16 (Yr. 3)	16.0% <sup>1</sup>	Estimated rate available Feb. 2015	TBD	N/A	
2016-17 (Yr. 4)	16.0% <sup>1</sup>	Estimated rate available Feb. 2016	TBD	N/A	
2017-18 (Yr. 5)	18.0% <sup>1</sup>	Estimated rate available Feb. 2017	TBD	N/A	
2018-19 (Yr. 6)	18.0% <sup>1</sup>	Estimated rate available Feb. 2018	TBD	Year 1 of 5-year repayment period for deferred amount (Years 1-5)	
2019-20 (Yr. 7)	18.0% <sup>1</sup>	Estimated rate available Feb. 2019	TBD	Year 2 of 5-year repayment period for deferred amount (Years 1-5)	
2020-21 (Yr. 8)	N/A	Estimated rate available Feb. 2020	N/A	Year 3 of 5-year repayment period for deferred amount (Years 1-5)	Year 1 of 5-year repayment period for deferred amount (Years 6-7)
2021-22 (Yr. 9)	N/A	Estimated rate available Feb. 2021	N/A	Year 4 of 5-year repayment period for deferred amount (Years 1-5)	Year 2 of 5-year repayment period for deferred amount (Years 6-7)
2022-23 (Yr. 10)	N/A	Estimated rate available Feb. 2022	N/A	Year 5 of 5-year repayment period for deferred amount (Years 1-5)	Year 3 of 5-year repayment period for deferred amount (Years 6-7)
2023-24 (Yr. 11)	N/A	Estimated rate available Feb. 2023	N/A	Year 4 of 5-year repayment period for deferred amount (Years 6-7)	
2024-25 (Yr. 12)	N/A	Estimated rate available Feb. 2024	N/A	Year 5 of 5-year repayment period for deferred amount (Years 6-7)	

<sup>1</sup> The law grants the NYSTRS Board the discretion to increase the rate by up to 2.0% in year three (to a maximum of 16%) and year five (to a maximum of 18%) if necessary to meet fiduciary obligations.

#### **Official Fiscal Note on Stable Rate Option for TRS Contributions:**

This bill would amend the Education Law to add an optional payment program for payment of employer contributions to the New York State Teachers' Retirement System (NYSTRS). The bill would add a new subdivision 3 to Section 521 which would permit the Retirement Board to allow employers of members of NYSTRS to elect to pay a stable contribution rate in lieu of the annually calculated actuarially-required contributions due for each of the next seven plan years beginning with the July 1, 2013 through June 30, 2014 plan year.

The stable contribution rate shall be 14 percent of such employer's pensionable compensation paid during the plan year, for the term of the program beginning with the July 1, 2013 through June 30, 2014 plan year. This stable contribution rate shall be exclusive of payments for group term life insurance, deficiency contributions, adjustments relating to prior fiscal years' obligations, obligations pertaining to retirement incentives or any other obligation that the employer is permitted to pay on an amortized basis.

The Retirement Board is authorized to increase the stable contribution rate by up to two percentage points in plan years beginning July 1, 2015 and July 1, 2017. The stable contribution rate may not exceed 18 percent and it may not be less than 14 percent.

In the sixth year, the fiscal year commencing July 1, 2018, employers who elected program participation shall continue to contribute the stable contribution rate and in addition shall contribute a stable payment to the retirement system to pay back the accrued deferred employer contributions accumulated in the first five years. The stable payment shall be paid to the retirement system in equal annual installments over a five-year period, with interest on the unpaid portion to be based on the monthly average yield on United States treasury securities at a ten-year constant maturity for the twelve month period preceding August first of each year plus one percentage point.

In the eighth year, the fiscal year commencing July 1, 2020, all employers having elected program participation shall resume payment of the annually calculated actuarially-required contribution. Additionally there will be a payment to the retirement system to pay back the deferred employer contributions accumulated in years six and seven. The stable payment shall be paid to the retirement system in equal annual installments over a five-year period with interest on the unpaid portion to be based on the monthly average yield on United States treasury securities at a ten-year constant maturity for the twelve month period preceding August first of each year plus one percentage point.

An employer must elect to participate in the program in the plan year beginning July 1, 2013. An employer may subsequently elect to terminate participation in the program and resume payment of the annually calculated actuarially-required contribution. Additionally such employer will make a reconciliation payment intended to fund any deficiencies that have accrued along with interest due to the actuarially-required contributions being in excess of the contributions paid by the employer during participation in the program. The payment shall be made over a period not to exceed five years.

**1 Student Above Target Savings**

K	3	\$225,000
1	4	\$300,000
2	0	0
3	1	\$75,000
4	1	\$75,000
5	0	0
<b>Total</b>	<b>9</b>	<b>\$675,000</b>