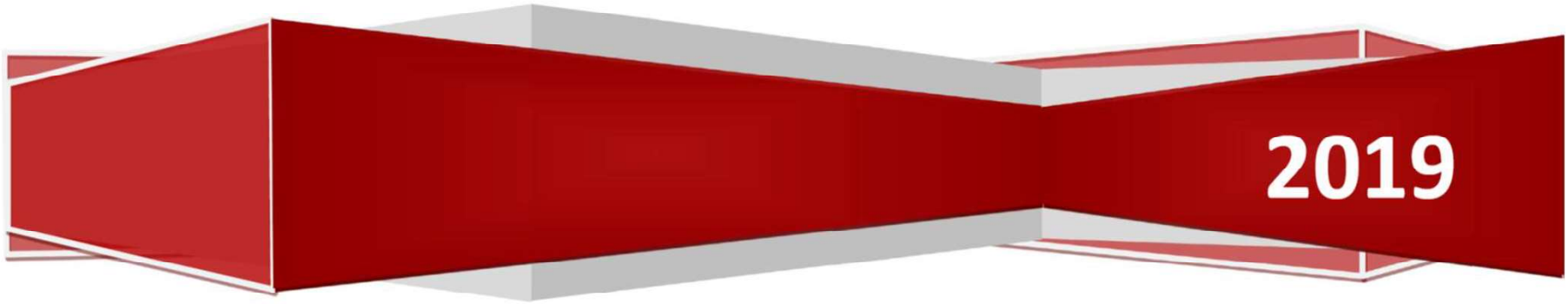
DUNKIRK CITY SCHOOL DISTRICT

2018 – 2019 MARCH – Revenue, Expenditure Updates

BUSINESS OFFICE – MARCH, 2018



Budget 2019 - Revenue

- Revenue: NRG - The District anticipates additional revenue loss regarding the restructured PILOT agreement as follows:
  - Fiscal 2019 Pilot revenue of $200,000.
  - NYS Mitigation/Transition Aid percent of loss incurred reduces to 60% [from 70% in 2018].
  - Summary – 2019 estimates for NRG related revenue are estimated now at $2,483,324 [down from $2,863,878 in 2018, $3,327,002 in 2017 and $4,005,540 in 2016].
- Revenue: NYS Aid from Governor's Budget Address begins the NYS Budget Process. Foundation Aid increased 1.41% or $289,419. Building Aid on track to fully fund debt service. NYS Budget due date – March 31, 2018.
- Revenue: Tax Cap set at 2%, subject to qualifying adjustments. For DCSD Levy Limit is up 3.71% on falling PILOTS and unused prior year cap space. Tax Cap Calculation included. OSC filing made by March 1, 2018 indicating Tax Cap compliance as required. Increasing the Tax Levy by 2% yields additional revenue of $195,424.

DCSD Comparison of NYS Aids

Gov Proposed 16-Jan-18

	ACTUAL 2013-14	ACTUAL 2014-15	ACTUAL 2015-16	ACTUAL 2016-17	Current Budgeted 2017-18	GOV Proposal 2018-19	Change $	Change %
FOUNDATION AID	$ 17,321,605	$ 17,982,037	$ 18,373,034	$ 19,304,830	$ 20,522,910	**$ 20,812,329**	**$ 289,419**	**1.41%**
COMMUNITY SCHOOL AIDS - not available to support ongoing operations				$ 224,658	$ 224,658	$ 224,658	$ -	0.00%
BOCES AID	$ 1,526,677	$ 1,330,372	$ 1,320,814	$ 1,350,534	$ 1,422,935	$ 1,464,179	$ 41,244	2.90%
HIGH AND PRIVATE EXCESS COST AID	$ 653,102	$ 536,447	$ 701,103	$ 681,682	$ 882,478	$ 692,995	$ (189,483)	-21.47%
INSTRUCTIONAL MATERIALS AID	$ 216,048	$ 215,071	$ 213,673	$ 211,293	$ 207,020	$ 211,584	$ 4,564	2.20%
TRANSPORTATION AID	$ 942,581	$ 863,463	$ 987,099	$ 848,189	$ 966,429	$ 1,073,338	$ 106,909	11.06%
BUILDING AID	$ 3,962,912	$ 3,339,513	$ 3,617,568	$ 3,627,041	$ 3,882,718	**$ 4,932,815**	**$ 1,050,097**	27.05%
SUB TOTAL AID	$ 24,622,925	$ 24,266,903	$ 25,213,291	$ 26,248,227	$ 28,109,148	$ 29,411,898	$ 1,302,750	4.63%
GAP ELIMINATION ADJUSTMENT	$ (1,564,844)	$ (267,589)	$ (5,352)	**Boces Capital**	**$ 404,115**	**$ 386,430**	$ (17,685)	
GEA RESTORATION or SFSF	$ 672,882	$ -	$ -					
NET GEA	$ (891,962)	$ (267,589)	$ (5,352)	$ -	$ 404,115	$ 386,430		
GENERAL FUND AID COMPARISON	$ 23,730,963	$ 23,999,314	$ 25,207,939	$ 26,248,227	$ 28,513,263	$ 29,798,328		
		$ 268,351	$ 1,208,625	$ 1,040,288	$ 2,265,036	$ 1,285,065		
		1.13%	5.04%	4.13%	8.63%	4.51%		
GENERAL FUND AID less BUILDING AID	$ 19,768,051	$ 20,659,801	$ 21,590,371	$ 22,621,186	$ 24,630,545	**$ 24,865,513**		
		$ 891,750	$ 930,570	$ 1,030,815	$ 2,009,359	**$ 234,968**	**Increase for Operations**	
		4.51%	4.50%	4.77%	8.88%	**0.95%**		
BUDGETED	$ 23,558,518	$ 24,193,613	$ 24,896,487	$ 26,165,909	$ 28,183,108	$ 29,351,413	**Budget to Budget**	
	$ (172,445)	$ 194,299	$ (311,452)	$ (82,318)	$ (330,155)	$ (446,915)	**$ 1,168,305**	
	99.27%	100.81%	98.76%	99.69%	98.84%	98.50%	**4.15%**	

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Office of the State Comptroller
Thomas P. DiNapoli, State Comptroller

Trend Report for Dunkirk City School District

Property Tax Cap	Proj 2019	2018	2017	2016	2015
Tax Levy Limit (Cap) before Exclusions					
Tax Levy Prior Year	9,771,218	9,548,521	9,361,295	9,455,854	9,614,516
Reserve Amount					
Tax Base Growth Factor	1.0006	1.0034	1	1.0033	1
PILOTS Receivable Prior Year	**250,000**	**729,287**	**4,121,979**	4,105,521	4,179,020
Tort/Judgment Exclusion Prior Year					
Capital Tax Levy for Prior Year					
Allowable Levy Growth Factor	**1.02**	**1.0126**	**1.0012**	1.0162	1.0146
PILOTS Receivable Current Year	**250,000**	**250,000**	**729,287**	4,121,979	4,105,521
Available Carryover from Prior Year	155,759	193,767	147,621	150,631	152,651
Total Levy Limit before Exclusions	**10,133,382**	**10,383,950**	**12,917,789**	9,841,431	10,042,052
Exclusions - Transition Aid					
Tax levy for tort orders/judgments over 5% Prior Year tax levy			0	0	0
Capital Tax Levy for Current Year			0	0	0
Tax levy for pension contribution expense					
TRS			0	0	0
ERS			0	0	0
Total Exclusions				0	0
Total Tax Levy Limit, Adjusted for Transfers Plus Exclusions	**10,133,382**	10,383,950	12,917,789	9,841,431	10,042,052
Proposed Levy for Current Year	**9,966,642**	9,771,218	9,548,521	9,361,295	9,455,854
Difference between Tax Levy Limit Plus Exclusions and Current Year Proposed Levy	166,739	612,732	3,369,267	480,136	586,198
Planning to Override the cap	**No**	No	No	No	No
Allowable Cap Increase	**3.71%**	8.75%	37.99%	4.08%	4.45%
Actual Levy Increase	**2.00%**	2.33%	2.00%	-1.00%	-1.65%
Cap $ Change	362,164	835,428	3,556,493	385,577	427,536
Actual Levy $ Change	195,424	222,697	187,226	-94,559	-158,662

DUNKIRK CITY SCHOOL DISTRICT REVENUE OUTLOOK

Local Share Breakdown	Historical Data 2014-15	Historical Data 2015-16	Historical Data 2016-17	Budget 2017-18	Initial 2018-19	% Change	$ Change
Tax Levy	$ 9,455,854	$ 9,361,295	$ 9,548,521	$ 9,771,218	$ 9,966,642	2.00%	$ 195,424
Federal PILOT	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	0.00%	$ -
PILOTs	$ 116,439	$ 116,439	$ 116,439	$ 116,439	$ 50,000	-57.06%	$ (66,439)
NRG PILOT	$ 3,989,082	$ 4,005,540	$ 612,848	$ 200,000	$ 200,000	0.00%	$ -
Interest / Penalties	$ 18,000	$ 18,000	$ 18,000	$ 18,000	$ 18,000	0.00%	$ -
Local Share	$ 13,594,375	$ 13,516,274	$ 10,310,808	$ 10,120,657	$ 10,249,642	1.27%	$ 128,985
Local Share / Budget	33.01%	32.12%	25.39%	23.30%	22.40%		
All State Aid / Budget	58.75%	59.16%	71.11%	71.03%	69.15%		

	Historical Data 2014-15	Historical Data 2015-16	Historical Data 2016-17	Budget 2017-18	Proposed 2018-19	% Change	$ Change
Local Share	$ 13,594,375	$ 13,516,274	$ 10,310,808	$ 10,120,657	$ 10,249,642	1.27%	$ 128,985
Other	$ 255,150	$ 255,150	$ 255,150	$ 255,150	$ 409,150	60.36%	$ 154,000
State Aid	$ 24,193,613	$ 24,896,497	$ 26,165,909	$ 27,778,993	$ 28,964,983	4.27%	$ 1,185,990
Boces Capital Project Aid	$ -	$ -	$ -	$ 404,115	$ 386,430	-4.38%	$ (17,685)
Transition State Aid	$ -	$ -	$ 2,714,154	$ 2,663,878	$ 2,283,324	-14.29%	$ (380,554)
Transfers/QSCB	$ 214,034	$ 241,300	$ 241,300	$ 230,000	$ 230,000	0.00%	$ -
Sub-total	$ 38,257,172	$ 38,909,221	$ 39,687,321	$ 41,452,793	$ 42,523,529	2.58%	$ 1,070,737
Budget	$ 41,177,757	$ 42,086,078	$ 40,614,061	$ 43,429,994	$ 45,750,922		
Fund Balance Gap	$ 2,920,585	$ 3,176,857	$ 926,740	$ 1,977,201	$ 3,227,393		

NRG ASSUMPTION SCENARIO: PILOT = $200k, State Transition Aid revenue at 60% of payment deficit [80%, 70%, 60%, 50%, 40%, 30%, 20%].

NRG Pilot + Transition Aid	$ 3,327,002	$ 2,863,878	$ 2,483,324
Loss vs 2016	$ (678,538)	$ (1,141,662)	$ (1,522,216)
Cumulative Loss	$ (678,538)	$ (1,820,200)	$ (3,342,416)

Budget Challenges - Appropriations

- Appropriations: Payroll - The District has contractual arrangements with employee unions calling for increases in the range of 2.25% to over 4.0%. Reviewing requests from department and building administrators for additional staffing for essential ENL, Special Education and AIS services.
- Appropriations: Benefits - Healthcare Benefits increasing 4%, Teachers Retirement System up 8%, Employee Retirement System down 3%, Workers' Compensation premium down 15%.
- Appropriations: Other contractual increases are anticipated, such as, utilities, BOCES services and transportation costs.
  - Electric and Gas rates have been at historical lows. While it appears likely increases in instability in world politics combined with higher industrial demand will influence commodity costs upward, budget estimates remain stable at this point [$613,000]. Buildings & Grounds contractual and supply budget flat [$402,520] .
  - Transportation route increases not currently contemplated.
  - Boces services will expand through additional P-Tech [5] slots. Special Education remains a large component of Boces expenditures, and decisions regarding staffing/placement will directly impact final numbers. District is reviewing CTE classes, Alternative Education, Technology Staffing and classroom instructional resources.
  - Athletics program requesting coaching positions to cover both existing supervision needs and move of cheerleading to varsity competitive level. Equipment needed for both cheer and wrestling programs. Increase approximates $40,000.

DUNKIRK CITY SCHOOL DISTRICT - BUDGET BY ACCOUNT CODE FOR 2019 BUDGET DEVELOPMENT

Account Code	Description	Budget 2017-18	Changes Anticipated	First Look 2018-19	Working Changes	Working 2018-19	% Change	$ Change
100's	Payroll *	$ 20,386,564	$ 714,566	$ 21,101,130	$ -	**$ 21,101,130**	3.51%	$ 714,566
200's	Equipment, Hardware	$ 138,000	$ -	$ 138,000	$ -	**$ 138,000**	0.00%	$ -
400's	Contractual, Professional	$ 3,878,046	$ -	$ 3,878,046	$ 80,000	**$ 3,958,046**	2.06%	$ 80,000
	BOCES	$ 3,982,708	**$ 149,710**	$ 4,132,418	$ 423,505	**$ 4,555,923**	14.39%	$ 573,215
500's	Supplies, Publications	$ 459,263	$ -	$ 459,263	$ -	**$ 459,263**	0.00%	$ -
600-700's	Debt Service **	$ 3,830,646	$ 596,678	$ 4,427,324	$ -	**$ 4,427,324**	15.58%	$ 596,678
800's	Benefits ***	$ 10,579,767	$ 693,153	$ 11,272,920	$ (336,684)	**$ 10,936,236**	3.37%	$ 356,469
900's	Transfers ****	$ 175,000	$ -	$ 175,000	$ -	**$ 175,000**	0.00%	$ -
	Budget Totals	$ 43,429,994	$ 2,154,107	$ 45,584,101	$ 166,821	**$ 45,750,922**		$ 2,320,928
	$ change			$ 2,154,107		**$ 2,320,928**		
	% change			4.96%		**5.34%**		
	Less debt service/transfer	$ 39,424,348		$ 40,981,777		$ 41,148,598		
	Change $			$ 1,557,429		$ 1,724,250		
	Change %			3.95%		4.37%		

Note 1:	Contractual Increase on flat staffing. Position requests under review.
Note 2:	Contractual +SRO, Boces +3% + Ptech + Boces Capital project [$483,038]. Supplies =+0%.
	Boces Tech Staffing and Instructional Technology, added Special Ed, Alt Ed CTE.
	Boces Debt Service generates same year revenue at roughly 80% [$386,430].
Note 3:	Estimate School 6 Debt Service at $679,906.
Note 4:	Generates $154,000 rent income from Boces and NYS Bldg Aid of $590,000 EST.
Note 5:	Estimates. Flat ERS, TRS up 12%, Healthcare up 4% vs 8%. Lower Wrkrs Comp.
	$50,000 Repair Reserve and $25,000 Special Fund
	$100,000 Transfer to fund Small Capital Project. Generates 97% Aid next fiscal year.

BOCES Budget Analysis

Account	Description	Final Expenditures 2015	Final Expenditures 2016	Final Expenditures 2017	Budgeted Contract 2018	Current Contract 2018 (2/12/2018)	Draft Budget 2019	2019-18 vs Current $ Change	Vs Current % Change	Notes
A1310	Business Office	$ -	$ 17,760	$ 64,889	$ -	$ -	$ -	$ -		
A1345	Purchasing	$0	$1,895	$1,909	$1,947	$1,947	$ 1,980	$ 33	1.69%	
A1430	Personnel				$0	$9,013	$ 15,799	$ 6,786	75.29%	
A1480	Public Information Services	$3,060	$3,152	$3,180	$3,336	$3,336	$ 3,676	$ 340	10.19%	
A1620	Operation of Plant	$34,906	$3,326	$1,310	$1,320	$29,000	$ 11,000	$ (18,000)	-62.07%	
A1680	Central Data Processing	$634,046	$674,262	$756,893	$516,583	$599,889	$ 685,295	$ 85,406	14.24%	Boces Tech plus higher Equip/Software
A1981	Boces Administration	$147,386	$151,534	$157,055	$159,624	$159,624	$ 168,222	$ 8,598	5.39%	Higher Rent payouts
A1983	Boces Capital Expense	$104,187	$105,754	$108,752	$645,333	$645,333	$ 620,319	$ (25,014)	-3.88%	
A2010	Curriculum and Instruction	$17,146	$21,541	$17,163	$10,858	$20,043	$ 11,205	$ (8,838)	-44.10%	
A2020	Supervision Regular School	$38,447	$39,241	$39,645	$40,357	$40,357	$ 41,437	$ 1,080	2.68%	
A2060	Research, Planning & Evaluation	$24,506	$15,502	$19,067	$24,092	$24,117	$ 24,517	$ 400	1.66%	
A2070	Inservice - Training and Instruction	$24,008	$29,616	$27,410	$30,071	$33,696	$ 30,071	$ (3,625)	-10.76%	
A2110	Teaching Regular School	$293,730	$242,448	$291,908	$320,798	$341,822	$ 333,410	$ (8,412)	-2.46%	
A2250	Programs Students with Disabilities	$1,354,507	$1,113,711	$1,547,262	$1,504,472	$1,589,098	$ 1,633,396	$ 44,298	2.79%	22 FTE students [vs 21]
A2280	Occupational Education	$419,050	$351,740	$248,625	$299,331	$311,529	$ 441,400	$ 129,871	41.69%	CTE +2.5 [6], Ptech slots +6 [20]
A2610	Library & A/V	$66,876	$65,479	$65,464	$63,840	$63,840	$ 64,904	$ 1,064	1.67%	
A2630	Computer Assisted Instruction	$242,444	$297,023	$277,022	$355,980	$345,278	$ 464,526	$ 119,248	34.54%	Boces Tech plus higher Equip/Software
A2855	Athletics	$4,725	$4,766	$4,766	$4,766	$4,766	$ 4,766	$ -	0.00%	
	Boces Contract Amounts	**$ 3,409,025**	**$ 3,138,750**	**$ 3,632,320**	**$ 3,982,708**	**$ 4,222,688**	**$ 4,555,923**	**$ 333,235**	**7.89%**	increase over current contract
								$ 573,215	14.39%	increase over 2018 budget
	Boces Contracts less A2250	$2,054,518	$2,025,040	$2,085,058	$2,478,236	$2,633,590	$2,922,527			
	Boces Capital Project				$ 536,708	$ 536,708	$ 483,038			

Component Analysis:

- $129,000 Special Education as costs continue to escalate.
- $119,000 add 6 P-Tech slots. 2019 Enrollment will reach 20, requiring a total investment of $388,000.
- $100,000 Re-alignment of District instructional resources to meet student skill development needs and improve data collection. Aligns with 1:1 initiative.
- $112,000 Technology staffing increased to meet demands of 1:1 initiative and staff support.

Summary

- Revenue shortfalls result from falling NRG related revenues [off $1,522,216, down 13.04% from 2016 levels], offset partially by the proposed State Foundation Aid [+$289,419][1.41%] and tax levy [+$195,424][2.00%] increases. Final State Budget aid runs are due April 1.

- Appropriation growth in Boces accounts reflect efforts to support Special Education, P-Tech and re-align curriculum/technology resources in support of student achievement. These actions will generate additional BOCES aid in 2020. A SRO has been added in contractual expenses as well.
- Staffing changes remain under consideration. Proposals target ENL, Special Education and AIS services – all student achievement related.

- To bridge the Gap, Fund Balance will be consumed in support of ongoing operations, placing the District in a 2019 operating deficit. To date, 2018 actual results are running at breakeven.
- Strategically, the District must identify a combination of new revenue and operating efficiency to close the funding Gap and sustain operations long term.

- Questions/Comments from the Board of Education