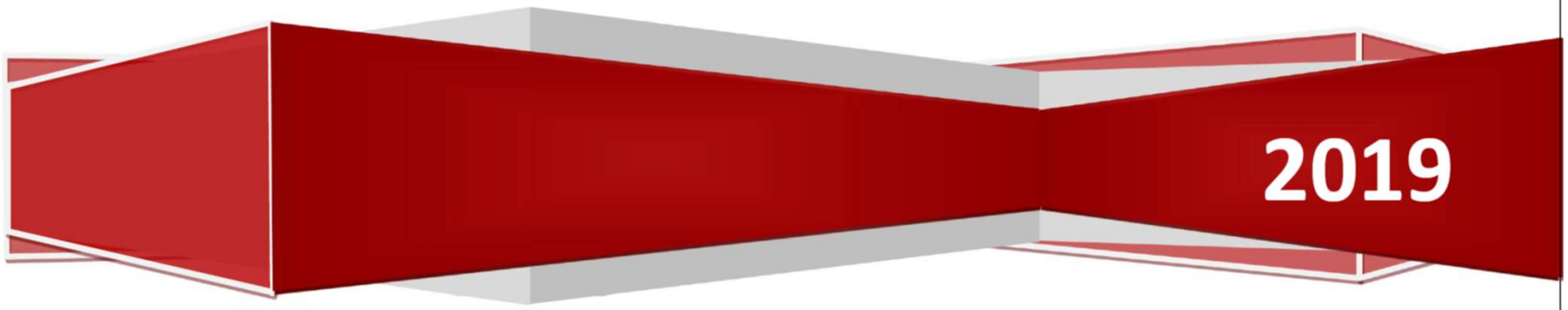
DUNKIRK CITY SCHOOL DISTRICT

2018 – 2019 April – Final Review – Revenue, Appropriations and Capital Outlay Project

BUSINESS OFFICE – APRIL, 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: Final NYS Aid numbers are now available. Foundation Aid increased 2.1% or $429,873. Building Aid on track to fully fund debt service. After subtracting Building and Boces Capital Project Aid, the District expects to collect $26,751,420 in 2019, a $8,733 reduction from 2018 due primarily to $380,554 decline in Transition Aid and lower Aid associated with High Cost students.
- 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.
- Total 2019 Revenues stand at $42,737,695, up 3.10% from 2018. To fund the gap vs a $45,728,385 Appropriations Budget, the District will Designate $1,977,201 of unused Designated 2018 Reserves, $522,078 from the Tax Certiorari Reserve and $535,566 from the Retirement Reserve.

School Aid
2018-19 Enacted State Budget

THE COUNCIL of SCHOOL SUPERINTENDENTS
LEADERS · EDUCATORS · ADVOCATES

District: DUNKIRK CITY SD
County: Chautauqua

Aid Category	2017-18	2018-19	Change	% Change
General Purpose Aids	**$20,808,062**	**$21,237,935**	**$429,873**	**2.1%**
Foundation Aid	20,808,062	21,237,935	429,873	2.1%
High Tax Aid	-	-	-	NA
Reorganization Incentive Operating Aid	-	-	-	NA
Academic Enhancement Aid	-	-	-	NA
Expense-Based Aids	**$7,508,824**	**$8,555,360**	**$1,046,536**	**13.9%**
Building Aid	3,882,718	4,904,053	1,021,335	26.3%
Reorganization Incentive Building Aid	-	-	-	NA
Transportation Aid (including summer)	966,429	1,073,338	106,909	11.1%
BOCES Aid	1,827,050	1,850,609	23,559	1.3%
Non-BOCES Special Services Aid	-	-	-	NA
Charter School Transition Aid	-	-	-	NA
Private Excess Cost Aid	348,698	364,780	16,082	4.6%
Public Excess Cost High Cost Aid	483,929	362,580	(121,349)	-25.1%
Supplemental Public Excess Cost Aid	-	-	-	NA
Other Aids	**$619,592**	**$627,987**	**$8,395**	**1.4%**
Computer Software Aid	31,923	32,986	1,063	3.3%
Library Material Aid	12,549	13,763	1,214	9.7%
Textbook Aid	120,054	124,597	4,543	3.8%
Hardware and Technology Aid	42,494	44,069	1,575	3.7%
Full Day-Kindergarten Conversion Aid	-	-	-	NA
Universal Prekindergarten Aid	412,572	412,572	-	0.0%
TOTAL AID	**$28,936,478**	**$30,421,282**	**$1,484,804**	**5.1%**
Total Aid without Building Aids	**$25,053,760**	**$25,517,229**	**$463,469**	**1.8%**

Community Schools Set-Aside, if any:

2017-18 Community Schools Set-Aside:	$224,658
2018-19 Community Schools Set-Aside:	$224,658
Change in Community Schools Set-Aside:	$0

Foundation Aid:

Proposed 2018-19 Foundation Aid:	$21,237,935
Full Phase-in Foundation Aid:	$26,552,728
Amount Under-funded:	($5,314,793)

Open Book New York
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	Final 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%	22.41%		
All State Aid / Budget	58.75%	59.16%	71.11%	71.03%	69.63%		

	Historical Data 2014-15	Historical Data 2015-16	Historical Data 2016-17	Budget 2017-18	Final 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	$ 416,150	63.10%	$ 161,000
State Aid	$ 24,193,613	$ 24,896,497	$ 26,165,909	$ 27,778,993	$ 29,172,149	5.02%	$ 1,393,156
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	$ 42,737,695	3.10%	$ 1,284,903
Budget	$ 41,177,757	$ 42,086,078	$ 40,614,061	$ 43,429,994	$ 45,728,385		
Fund Balance Gap	$ 2,920,585	$ 3,176,857	$ 926,740	$ 1,977,201	$ 2,990,690		

DUNKIRK CITY SCHOOL DISTRICT REVENUE OUTLOOK

	Historical Data 2014-15	Historical Data 2015-16	Historical Data 2016-17	Budget 2017-18	Final 2018-19
NRG 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)	
NRG + State Aid Scenario:	$ 28,182,695	$ 28,902,037	$ 29,492,911	$ 31,046,986	$ 32,041,903
LESS: Boces Capital + Bldg Aid	$ 3,339,513	$ 3,617,568	$ 3,627,041	$ 4,286,833	$ 5,290,483
NET	$ 24,843,182	$ 25,284,469	$ 25,865,870	$ 26,760,153	$ 26,751,420
Change $		$ 441,287	$ 581,402	$ 894,282	$ (8,733)
Change %		1.78%	2.30%	3.46%	-0.03%
Reserve Usage Scenario:					
Roll Over 2018 Designated					$ 1,977,201
Tax Certiorari					$ 522,078
Retirement					$ 535,566
Restricted Reserve Balance:	$ 14,896,546	$ 15,612,341	$ 19,457,715	$ 18,400,071	
Unassigned Reserve Balance:	$ 1,683,443	$ 1,624,562	$ 1,737,200	$ 1,829,135	

Budget Challenges - Appropriations

- Appropriations: Payroll – Up 4.29%. The District has contractual arrangements with employee unions calling for increases in the range of 2.25% to over 4.0%. Final Budget includes 3 additional FTE's on expiration of the CDOS Grant, 2 additional AIS positions at the Middle School, 1 additional ENL to increase Middle and High School coverage, less 3 FTE's reduced through resignation, reassignment or retirement.
- Appropriations: Benefits – Up 2.08%. Healthcare Benefits increasing 4% less impact of new contractual contributions, Teachers Retirement System up 8%, Employee Retirement System down 3% and Workers' Compensation premium down 15%.
- Appropriations: Other
  - 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 contemplated. Pressure on route costs with increased Special Education runs.
  - Boces services will expand through additional P-Tech [5] slots, Special Education, Alternative Education, Technology Staffing and classroom instructional resources. $4,555,923 budgeted for 2019 reflects growth in 2018 commitments to $4,184,721. Budget year 2020 should see a corresponding increase in Boces State Aid.
  - School Resource Officer expense allocations have been included [$80,000].
  - 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.
  - Supply Budgets remain flat.

- Total Appropriations increase 5.29%, $2,298,391 to $45,728,385.

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	$ 159,000	**$ 21,260,130**	4.29%	$ 873,566
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	$ (45,137)	**$ 4,382,187**	14.40%	$ 551,541
800's	Benefits ***	$ 10,579,767	$ 693,153	$ 11,272,920	$ (473,084)	**$ 10,799,836**	2.08%	$ 220,069
900's	Transfers ****	$ 175,000	$ -	$ 175,000	$ -	**$ 175,000**	0.00%	$ -
	Budget Totals	$ 43,429,994	$ 2,154,107	$ 45,584,101	$ 144,284	**$ 45,728,385**		$ 2,298,391
	$ change			$ 2,154,107		**$ 2,298,391**		
	% change			4.96%		**5.29%**		
	Less debt service/transfer	$ 39,424,348		$ 40,981,777		$ 41,171,198		
	Change $			$ 1,557,429		$ 1,746,850		
	Change %			3.95%		4.43%		

Note 1:	Contractual Increase on flat staffing. Net increase of 3 positions [CDOS Grant expiration]. Re-alignment of 3 others.
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 now at $655,275, less impact of refunding.
Note 4:	Generates $161,000 rent income from Boces and NYS Bldg Aid of $590,000 EST.
Note 5:	Estimates. Flat ERS, TRS up 8%, Healthcare up 4% vs 8%, less DTA impact. 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	April Current Contract 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	$602,618	$ 685,295	$ 82,677	13.72%	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	$41,750	$ 30,071	$ (11,679)	-27.97%	
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	$1,547,936	$ 1,633,396	$ 85,460	5.52%	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	$337,690	$ 464,526	$ 126,836	37.56%	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**	**$ 4,184,721**	$ 4,555,923	$ 371,202	8.87%	increase over current contract
								$ 573,215	14.39%	increase over 2018 budget

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.

2019 Capital Outlay Project - $100,000
2019 Repair Reserve Contribution - $50,000

- $100,000 Capital Outlay project focused on School 7 exterior doors and brick stabilization. Photos of problem areas follow. The District receives building aid in full [97.5%] in the following fiscal year for work completed. The $100,000 outlay project for fiscal 2018 involved primarily exterior work at the Middle School and is underway.

- The District has budgeted a $50,000 annual contribution to its 2013 Repair Reserve for unanticipated repair work on District facilities outside the normal capital project cycle. Fiscal 2018 will end with a reserve balance of $250,000.

School 7 Capitol Outlay 2018-2019

-Repair numerous areas of mortar failure





School 7 Capitol Outlay 2018-2019
-Replacement of up to 4 Exterior doors





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 [+$429,873][2.1%] and tax levy [+$195,424][2.00%] increases.

- 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 as a result of Grant expiration supporting required services. Other additions target ENL and AIS services – all student support/achievement related – and are offset by retirement/resignation/reassignment.

- 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.

- To plan for future capital project needs, we are requesting approval of the 2018 Capital Reserve with a funding limit of $1,000,000. No contribution for the current fiscal year is contemplated.

- Questions/Comments from the Board of Education

District Audited Financial Statement Data

Reserves	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	Est 6/30/2018
Employee Retirement	$ 1,041,738	$ 3,441,738	$ 3,784,148	$ 4,619,942	$ 4,619,944	$ 5,803,193	$ 6,239,732	$ 6,880,332	$ 8,778,019	$ 8,242,453
Unemployment	$ 452,098	$ 1,452,098	$ 2,452,098	$ 2,952,098	$ 4,180,828	$ 4,185,520	$ 4,186,260	$ 4,187,091	$ 6,084,778	$ 6,084,778
Employee Benefits	$ 1,745,097	$ 1,745,097	$ 325,276	$ 325,276	$ 325,276	$ 325,907	$ 325,971	$ 326,037	$ 326,037	$ 326,037
Tax Certiorari	$ 2,240,670	$ 2,740,670	$ 3,740,670	$ 3,740,670	$ 3,740,670	$ 3,778,464	$ 3,779,220	$ 3,779,971	$ 3,779,971	$ 3,257,893
Repair Reserve						$ 50,002	$ 100,014	$ 150,036	$ 200,036	$ 250,036
Debt Service								$ 23,479	$ 23,479	$ 23,479
Capital	$ 75,637	$ 575,637	$ 1,075,637	$ 450,637	$ 450,637	$ 265,263	$ 265,349	$ 265,395	$ 265,395	$ 265,395
Total Restricted	$ 5,555,240	$ 9,955,240	$ 11,377,829	$ 12,088,623	$ 13,317,355	$ 14,408,349	$ 14,896,546	$ 15,612,341	$ 19,457,715	$ 18,450,071
Unassigned	$ 1,453,353	$ 1,349,480	$ 1,523,424	$ 1,608,166	$ 1,636,935	$ 1,647,110	$ 1,683,443	$ 1,624,562	$ 1,737,200	$ 1,829,135
Sub Total	**$ 7,008,593**	**$ 11,304,720**	**$ 12,901,253**	**$ 13,696,789**	**$ 14,954,290**	**$ 16,055,459**	**$ 16,579,989**	**$ 17,236,903**	**$ 21,194,915**	**$ 20,279,206**
Designated	$ 603,962	$ 610,379	$ 2,070,480	$ 2,562,926	$ 2,624,346	$ 2,920,585	$ 3,176,857	$ 3,640,894	$ 1,977,201	$ 1,977,201
Appropriated Reserves							$ -	$ -	$ -	$ 1,057,644
Encumberances	$ 303,291	$ 134,811	$ 239,403	$ 147,178	$ 67,865	$ 66,687	$ 84,938	$ 83,614	$ 57,288	$ 57,288
Total	$ 7,915,846	$ 12,049,910	$ 15,211,136	$ 16,406,893	$ 17,646,501	$ 19,042,731	$ 19,841,784	$ 20,961,411	$ 23,229,404	$ 23,371,340