



2017-18 Budget Planning

Board of Education February 14, 2017



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Guidance from the Board of Education in Formulating the Budget

- Stay within the allowable tax levy cap.
- Maintain reasonable class size
- Minimize impact on instructional programs while continuing instructional initiatives such as Advance Placement programs, the International Baccalaureate Program, Pre-Engineering classes via Project Lead the Way, Science 21, Renaissance Learning, Reading Recovery, Responsive Classroom, Gifted and Talented, AIS services etc.
- Continue the reduced reliance on the use of fund balance.



Budget Assumptions Regarding Major Expenditure and Revenues

- **Tax Cap** (The allowable tax increase without a super majority is 2% or CPI – whichever is less.)

The CPI index for the 2017-18 school year is at **1.26%** generating an allowable tax levy increase of \$1,318,504

- **State Aid Figure**

Initial proposal by the Governor shows an overall decrease in aid of \$56,000. Foundation aid is increasing but both transportation and building aid are decreasing.

- **Retirement Systems**

ERS: The rate has been reduced from 15.5% to 15.3%

TRS: The rate has been reduced from 11.72% to 9.8%

- **Health Insurance Rates**

Empire Plan has been increased by 8.4%

PNW Health Benefits Consortium has been increased by 8.0%



Fund Balance Analysis

Item	Dollar Amount 6/30/2016
Reserve for Retirement Contributions (ERS Reserve)	\$ 505,914
Reserve for Tax Certiorari	\$ 3,907,040
Capital Fund & Capital Reserve for Repairs	\$ 1,980,340
Reserve for Employee Benefit Liability	\$ 82,630
Appropriated Fund Balance	\$ 100,000
Unappropriated Fund Balance	\$ 3,488,505

+ Staffing Realignments and Reductions

Estimates as of 2/14/17

Item	Realigned and Reduced FTE	Net
K-8 Faculty	Realign • PES 2.0 FTE (Location TBD – determined by PES leadership team after examining enrollment numbers and placement screening in kindergarten, end of year student learning portfolios, and overall school learning profile) • PES .5 move to SIS for AIS • SIS 1.0 FTE GATE • SIS .5 FTE AIS and .5 FTE GATE to SMS Reduce 2.2 FTE • SIS 1.0 FTE reduced • SMS 1.2 FTE reduced	-2.2
SHS Faculty	Increase .6 ELA to 1.0 Increase .6 Math to 1.0 Increase .8 College and Career Counselor Reduce .4 College and Career Office Support	1.2
Special Education Faculty	Add 1.0 at SIS or SMS	1.0



Calculation of Tax Levy Limit

1. Prior year tax levy (minus Reserve Amount for any Excess Levy, including interest)

X

2. Tax base growth factor, if any

+

3. PILOT's received during the year

-

4. Taxes levied for exclusions during the prior year (not ERS and TRS)

=

5. *ADJUSTED PRIOR YEAR TAX LEVY*

X

6. Allowable levy growth factor (lessor of 2% or CPI)

-

7. PILOTS receivable in the coming year

+

8. available carryover, if any

+

9. Tax Levy Limit

+

10. Coming school year exclusions

=

11. Maximum Allowable Tax Levy (requiring simply majority)



Tax Levy Cap Calculation and Maximum Allowable Tax Levy Calculation

Previous Tax Levy	74,673,878	
(x) Tax base growth factor	<u>1.0033</u>	
	74,920,302	
(+) Payment in lieu of taxes prior year	<u>60,541</u>	
	= 74,980,843	
(-) taxes levied for exemptions during prior year (not ERS or TRS)	5,106,290	16/17 debt service \$4,731,288 + lease purchase \$475,002 - debt service transfer \$100,000 = \$5,106,290
Capital Local Expenditures (debt service + lease purchase)	1,998,464	less building aid from 11/16 Gen Report \$1,998,464
	= <u>3,107,826</u>	
(=) Adjusted Prior Year Tax Levy	71,873,017	
(x) Adjusted levy growth factor (2% or CPI) (x .0126%)	72,778,617	
(-) payments in lieu of taxes receivable in coming year	62,357	
(+) Available carryover, if any	<u>0</u>	
(=) Tax Levy Limit	72,716,260	
(+) taxes levied for exemptions for coming school year (not ERS or TRS)	5,105,490	17/18 budgeted debt service of \$4,695,794 + lease purchase \$509,696 - debt service transfer of \$100,000 = \$5,105,490
(-) Capital Local Expenditures (debt service + lease purchase)	1,829,368	Less: Building Aid \$1,930,953 – interest rate recalibration \$93,888 – lead in water testing \$7,697 = \$1,829,368
	3,276,122	
(+) ERS Pension Exemptions	0	
(+) TRS pension Exemptions	<u>0</u>	
(=) Maximum Allowable Tax Levy	75,992,382	
Maximum Allowable Dollar Tax levy Increase	1,318,504	
Maximum Allowable Percentage Tax levy Increase	1.77%	



State Aid

Aid Type	2016/17 Budgeted	2016/17 Projected Actual	2017/18 Proposed
Foundation	\$4,445,548	\$4,445,548	\$4,532,566
Building	\$2,002,490	\$2,004,730	\$1,930,953
Transportation	\$1,629,153	\$1,700,711	\$1,629,360
BOCES	\$950,179	\$989,479	\$983,940
Categorical and High Tax	\$440,173	\$420,988	\$429,950
High Cost, Excess Cost Aids	\$400,767	\$441,701	\$440,250
Totals	\$9,868,310	\$10,003,157	\$9,947,019



Major Non Tax Revenues

	2016/2017 Budget	2017/2018 Proposed	Variance
State Aid (\$10,003,157 projected actual)	\$ 9,868,310	\$9,947,019	\$ 78,709
PILOT	\$ 60,541	\$ 62,357	\$ 1,816
County Sales Tax	\$ 1,020,000	\$1,030,200	\$ 10,200
Facilities Rental	\$ 157,799	\$ 208,664	\$ 50,865
Health Services	\$ 533,870	\$ 533,870	\$ 0.00
BOCES and Prior Year Refunds	\$ 84,500	\$ 89,500	\$ 5,000
Debt Service Transfer	\$ 100,000	\$ 100,000	\$ 0.00
ERS Reserve	\$ 100,000	\$ 25,000	-\$ 75,000
All Other	\$ 301,903	\$ 240,574	-\$ 61,329
Total	\$12,226,923	\$12,237,184	\$68,448

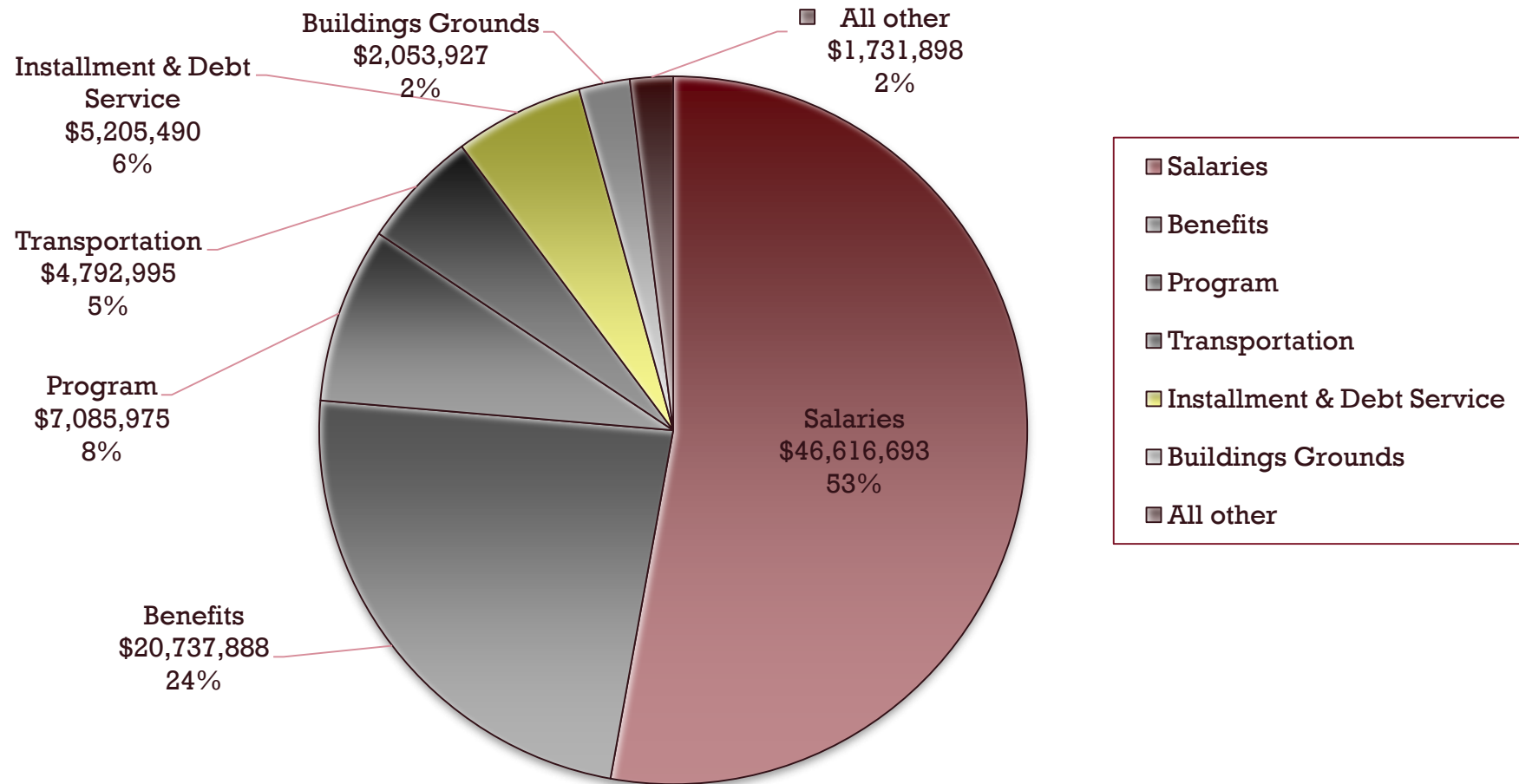


Budget to Budget Comparison

	Budget 2016-2017	Proposed 2017-2018	Variance
Salaries	\$45,621,224	\$46,616,693	\$995,469
Benefits	\$20,552,362	\$20,737,888	\$185,526
Program	\$7,001,327	\$7,085,975	\$84,648
Transportation	\$4,726,339	\$4,792,995	\$66,656
Debt Service	\$5,206,290	\$5,205,490	\$800
Building & Grounds	\$2,034,536	\$2,053,927	\$19,391
All Other	\$1,759,673	\$1,731,898	-\$27,775
Totals	\$86,901,751	\$88,224,866	\$1,323,115



Proposed 2017-2018 Budget





Buildings and Grounds (1620,1621)

The B&G Department consists of the following staff.

- 1 Superintendent of B&G
- .5 FTE Clerical Support
- 22 Custodial personnel and one Courier
- 6 Maintenance Personnel
- 5.5 Custodial positions have been eliminated between 2012/13 and 2016/17
- **2017/18 maintenance staffing – adding a 1.0 FTE position**

Square footage for our school buildings is 575,721.



Auditing, Legal, Insurances

The District is required by statute to have an external, internal and claims auditor.

- The independent External Auditor is to audit and review the financials of the District.
- The Internal Auditor is to conduct a risk assessment audit and a focused audit of the District's financial operations.
- The Claims Auditor reviews and approves payments made by the District to various vendors.

Each Auditor prepares reports that are submitted to Administration and the Board of Education. Each Auditor meets with the Audit Committee and or the Board as needed or required.



Auditing, Legal, and Insurances

- The District retains legal counsel to handle the legal affairs of the District and to provide legal advice as needed by the Board of Education and the Administration.
- The District has insurances covering commercial property/fire, general liability, school board legal liability, boilers & machinery, pollution liability, commercial auto, commercial crime, cyber crime and excess catastrophe liability.
- In addition to the above, the District also carries student accident insurance.



Audit, Legal, Insurances

	2015/2016 Actual	2016/2017 Budget	2017/2018 Proposed
Audit, Legal	\$109,988	\$181,200	\$170,650
Insurances	\$312,170	\$337,519	\$331,327
Total	\$422,158	\$518,719	\$501,977



Transportation

- Transportation expenses include the transportation office, 21 bus monitors, a contractual RN or LPN to accompany a special needs child, the bus garage and student transportation.
- Estimated 3,500 students transported daily by our transportation vendor (Royal Coach)
- Students transported to nearly 40 different school locations daily.
- Also included in transportation costs are athletic and co-curricular expenses.



Contract Transportation Budget

- To and From School
- Special Education Residential Placements
- Late Bus-After School
- Bus Radio Costs
- Prom Buses
- Routing Software Costs



Contract Transportation (To and From School)

2016/17 Budget	2017/18 Proposed Budget	Difference
\$4,378,303	\$4,459,776	\$81,473
60 Buses	60 buses	Same

Contract Transportation (Late Bus)

2016/17 Budget	2017/18 Proposed Budget	Difference
\$79,266	\$80,657	+ \$1,391



Benefits

Benefits include the costs for the
NYS Employees' Retirement System,
NYS Teachers' Retirement System,
Social Security, Workers Compensation, Unemployment Insurance,
Health Insurance including Medicare
and Health Insurance Buy Back,
Dental, Life, and Vision Insurances, and
contributions to Welfare Benefit Trust Funds



Health Insurance

The District has two health insurance plans:

- Empire Plan (NYSHIP) for instructional staff.

The plan year runs from January 1 – December 31.

- PNW Consortium Plan for all other staff.

It is a self-funded plan in conjunction with 13 other school districts and BOCES. The plan year runs July 1 – June 30.



Health Insurance: Empire Plan

- 2016 percentage aggregate increase is 8.4%
- Instructional staff contribute 13.5% of the premium cost.

There are 210 active and 170 retirees budgeted to be covered by the plan.

■ Current Budget:	2016/17	\$5,955,765
■ Proposed Budget:	2017/18	<u>\$6,398,202</u>
		\$ 442,437



Health Insurance: PNW Consortium (self-insured)

- The PNW Plan increase is 8.0%
- Administrative staff contribute 17% of the premium cost.
- Non-Instructional staff contribute 13% of the premium cost.
There are 142 active and 108 retirees budgeted to be covered by the plan

■ Current Budget:	2016/17	\$3,077,045
■ Proposed Budget:	2017/18	<u>\$3,348,627</u>
		\$ 271,582



Employer Contribution Rates – TRS and ERS

Salary Year	TRS Employer Contribution Rate	Salary Year	ERS Employer Contribution Rate
2001-02	0.36%	2001-02	1.20%
2002-03	0.36%	2002-03	1.50%
2003-04	2.52%	2003-04	5.90%
2004-05	5.63%	2004-05	12.90%
2005-06	7.97%	2005-06	11.30%
2006-07	8.60%	2006-07	10.70%
2007-08	8.73%	2007-08	9.60%
2008-09	7.63%	2008-09	8.50%
2009-10	6.19%	2009-10	7.40%
2010-11	8.62%	2010-11	11.90%
2011-12	11.11%	2011-12	16.30%
2012-13	11.84%	2012-13	18.90%
2013-14	16.25%	2013-14	20.90%
2014-15	17.53%	2014-15	20.10%
2015-16	13.26%	2015-16	18.20%
2016-17	11.72%	2016-17	15.50%
2017-18	9.80%	2017-18	15.30%



Pension Systems (NYS TRS)

- NYS TRS covers teachers, teaching assistants and administrators.
- Membership is mandatory for full-time employees.
- The mandated Employer Contribution Rate is set by the System and is set to be 9.80% of TRS payroll.

■ Current Budget:	2016-17	\$4,569,615
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■ Proposed Budget:	2017-18	<u>\$3,815,542</u>
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- \$ 754,073



Pension Systems (NYS ERS)

NYS ERS covers non-instructional, support staff - teacher aides, custodial/maintenance, bus monitors, clerical and food service staff.

Membership is mandatory for full-time employees.

The mandated Employer Contribution Rate is set by the System and the composite rate is set to be 15.3% of ERS payroll.

Current Budget:	2016-2017	\$1,195,735
Proposed Budget:	2017-2018	<u>\$1,196,005</u>
		+ \$270



Total Benefit Budget

	2016/2017 Budget	2017/2018 Proposed	Variance
NYS ERS	\$ 1,195,735	\$ 1,196,005	\$ 270
NYS TRS	4,569,615	3,815,542	-754,073
FICA	3,469,889	3,575,110	105,221
Workers Comp	177,686	183,307	5,621
Unemployment Insurance	30,240	28,560	-1,680
Health Insurance/HI Buy Back, Medicare Part B reimbursements	10,308,511	11,117,553	809,042
Dental, Life, Vision, Flex Plan	270,888	278,201	7,313
Welfare Trusts	529,798	543,610	13,812
Total	\$ 20,552,362	\$ 20,737,888	\$ 185,526



Bonded Debt Service

Debt Service is the outstanding principal and interest payments required on the District's outstanding bonds. Bonds were issued by the District for the following building projects:

- The 1999 District-wide building project \$17,919,000. These bonds were refinanced in 2009.
- The 2006 District-wide building project – three series of bonds totaling \$49,094,953. Two series bonds were refinanced in January 2015 with an annual net savings of \$110,000 for a total savings of \$2.1M for life of bond.
- One series of bonds was refinanced in January 2016 with an annual net savings of \$191,500, for a total savings of \$2.4M over the life of the bond.



Total Bonded Debt Service

2017-2018	\$4,695,794	2024-2025	\$3,398,800
2018-2019	\$4,693,369	2025-2026	\$3,396,950
2019-2020	\$4,705,869	2026-2027	\$3,401,522
2020-2021	\$3,191,119	2027-2028	\$2,108,688
2021-2022	\$3,362,094	2028-2029	\$ 465,325
2022-2023	\$3,379,444	2029-2030	\$ 461,825
2023-2024	\$3,378,844		

The above does not include debt service associated with the \$13.6M capital project as bonds have not yet been issued for this project.



Installment Debt Service

For approximately 18 years the District has utilized installment lease purchases to refresh its technology equipment i.e. computers, file servers, routers, blades, switches, monitors, Smart boards, tablets, etc.

- The financing of the installment lease purchase is bid and awarded to the vendor providing the lowest interest rate.
- The installment lease purchase period is three years.
 - Current Budget: 2016-2017 \$475,002
 - Proposed Budget: 2017-2018 \$509,696
 - The proposed budget includes \$190,000 of additional dollars for 2017/18.



Estimated Tax Rate Analysis

	Budget 2016/17	Proposed 2017/18	\$ Change	% Change
School District Budget	\$ 86,901,751	\$ 88,224,866	\$ 1,323,115	1.52%
Use of Appropriated Fund Balance	0.00	0.00	0.00	
Reserve for Retirement Contributions, Debt Service Transfer	200,000	125,000	- 75,000	
Payment in Lieu of Taxes (PILOT)	60,541	62,354	1,813	
Revenue from sources other than local property taxes	11,967,332	12,045,127	77,795	
Tax Levy	74,673,878	75,999,382	1,318,504	
Estimated Assessed Valuation of Property	473,066,797	474,250,000	1,183,203	
Tax Rate/\$1,000 Assessed Valuation	157.79	160.23		1.55%



Upcoming BOE Meeting Dates and Budget Topics

Feb. 14, 2017	Budget Planning Session ▪ Anticipated State Aid ▪ Non-instructional Expenses – Including Administrative Expenses, B&G's, Transportation, Debt Service, Benefits (pension systems, health insurance), Transfer to Capital, etc. ▪ Tax Levy Cap Calculation
March 7, 2017	Budget Planning Session ▪ Instructional Program Expenses ▪ Potential Capital Project Proposition
March 21, 2017	Budget Planning Session ▪ Review of Proposed Budget and Property Tax Cap ▪ Projected Tax Rate ▪ Contingency Budget
April 18, 2017	Budget Summary Update and Budget Adoption
May 9, 2017	Public Budget Hearing
May 16, 2017	Budget, Proposition Vote and Trustee Election



Board Member Questions?

