



PITTSFORD CENTRAL SCHOOL DISTRICT

Presentation of the Superintendent's
2017-2018 Proposed Budget #2 for
Board of Education Adoption - Revote
May 24, 2017





Pittsford Central School District 2017-2018 Budget Adoption

Purpose (Legal Requirement)

**Present the Superintendent's recommended
2017-18 Proposed Budget for the Board of
Education to consider adopting as their budget
to be presented to the voters**

- **Official Board of Education Action Required**
 - **Approve/adopt the total spending plan**
 - **Acknowledge and approve that the spending plan will NOT require a Property Tax Cap Override**
 - **Approve the NYS Property Tax Report Card**



Pittsford Central School District 2017-2018 Budget Adoption

2017-2018 Budget Guidelines

IMPORTANT - Due to the importance of each guideline, the following bullets are NOT listed in a specific prioritized order.

- ❖ Develop a **STUDENT BASED BUDGET** focused on:
 - Implementation of rigorous, engaging and authentic curriculum, instruction and assessments
 - Providing experiences, both curricular and extracurricular, that supports the varied interests of the whole child
 - Integration of data systems that allows for easy and timely accessibility of data for teachers, administrators, students and families
 - Hiring and retaining employees of the highest quality
- ❖ Provide **HIGH QUALITY** Professional Development focused on:
 - Strategic Initiative
 - Curriculum, assessment and instruction
 - Social and Emotional learning
 - Continuous improvement for instructional and non-instructional staff members
- ❖ Manage the impact of investment in education with sensitivity to limited community resources by:
 - Seeking new sources of revenue
 - Balancing community expectations for services and programs, while being cognizant of changes in property values, income levels, and economic uncertainties
 - Seeking cost efficiencies to further address the costly impact of unfunded mandates
- ❖ Provide for fiscal stability into the future through:
 - Maintaining financially prudent and sustainable reserve accounts
 - Protecting and maintaining our Aa1 bond rating
 - Protecting the community's investment in facilities and infrastructure
 - Advocacy with legislators relative to appropriate levels of funding
- ❖ Meet legal mandates and contractual obligations



Pittsford Central School District 2017-2018 Budget Adoption

2017-2018 Budget Development Philosophy and Process

- End in Mind (targets)
 - Maintaining excellence and expected academic performance in instruction and areas that support student achievement in a fiscally responsible manner:
 - *Eye on the Future – A budget that provides for future financial stability while positioning the District to move forward and responsive to changing instructional, political and technological times*
- Budget stakeholders in preparing their budgets were instructed to:
 - Identify a budget maintaining current programs and services and/or trade-offs to support new initiatives
 - Identify potential areas to abandon to promote the implementation of Federal and NYS mandates and Board goals and initiatives



Pittsford Central School District 2017-2018 Budget Adoption

Measures implemented to get to the \$374,000 target (\$389,640 implemented)

Appropriations

Benefits	Health Insurance plan anticipated rate reduction due to improved plan performance to date
Salary & Benefits	Professional Development
Supplies & Contract	Athletic & Building allocations
BOCES	Amend Technology replacement schedule

Revenues

State Aid	Bullet Aid - Senator Funke
Sales Tax	Amend to last quarter trend

	Adopted April 12th	June 20th Revote Adj		June 20th
Object of Expense	Proposed Budget	FDK	Revote Items	2017-2018 Proposed #2
Salaries & Benefits	101,546,663	(1,733,068)	(175,394)	99,638,201
Equip & Supplies	3,780,297	(312,670)	(10,000)	3,457,627
Contract & BOCES	16,720,292	(232,028)	(124,246)	16,364,018
Debt Service	10,167,672	-	-	10,167,672
Interfund Transfers	2,014,930	(1,577,930)	-	437,000
Total Budget	134,229,854	(3,855,696)	(309,640)	130,064,518

	Adopted April 12th	June 20th Revote Adj		June 20th
Revenue	Proposed Budget	FDK	Revote Items	2017-2018 Proposed #2
State Aid	24,405,896	(731,607)	50,000	23,724,289
Sales Tax & Misc	6,188,121	-	30,000	6,218,121
Appropriated Fund				
Balance	1,534,000	-	-	1,534,000
Use of Reserves	2,290,930	(1,577,930)	-	713,000
Prop Tax Levy	99,810,907	(1,546,159)	(389,640)	97,875,108
NYS Tax Cap	97,890,235		-	97,890,235
Override Portion	1,920,672		-	-
Total Revenues	134,229,854	(3,855,696)	(309,640)	130,064,518



Pittsford Central School District 2017-2018 Budget Adoption

Total Proposed Budget by Object of Expense

Object of Expense	2016-2017 Adopted	2017-2018 Proposed Proposed #2	Dollar Change	Percent Change
Salaries	60,199,545	61,338,181	1,138,636	1.89%
Benefits	36,601,714	38,300,020	1,698,306	4.64%
Equipment	544,260	526,750	-17,510	-3.22%
Contractual & Tuitions	6,924,588	7,110,273	185,685	2.68%
BOCES	9,669,969	9,253,745	-416,224	-4.30%
Supplies & Aided Matls	3,010,565	2,930,877	-79,688	-2.65%
Debt Service	8,180,869	10,167,672	1,986,803	24.29%
Interfund Transfers	375,000	437,000	62,000	16.53%
Total Budget	125,506,510	130,064,518	4,558,008	3.63%

- The Green highlight is the new debt on the 2012 referendum that is netted against additional NYS Building Aid resulting in a net \$360,000 impact to the Tax Levy.
 - The debt is within the Tax Cap because already approved by the voters.



Pittsford Central School District 2017-2018 Budget Adoption

Putting It Together – Programs & Services

TOTAL PROGRAM SERVICES	Approved 2016-2017	Approved FTE 2016-2017	Proposed FTE 2017-2018	Proposed 2017-2018	\$ Change	% Change
Schools	\$ 49,474,975	814.90	801.30	\$ 50,332,493	\$ 857,518	1.73%
Central Student Services	\$ 9,530,051	30.05	31.10	\$ 9,559,083	\$ 29,032	0.30%
Instructional Services	\$ 3,706,973	33.15	32.60	\$ 3,693,416	\$ (13,557)	-0.37%
Support Services	\$ 15,451,258	224.89	224.72	\$ 15,350,089	\$ (101,169)	-0.65%
Central Administration	\$ 392,928	3.00	3.00	\$ 404,470	\$ 11,542	2.94%
Unallocated Expenses	\$ 46,950,325	0.00	0.00	\$ 50,724,967	\$ 3,774,642	8.04%
Total Program Services	\$125,506,510	1,105.99	1,092.72	\$130,064,518	\$ 4,558,008	3.63%

Estimate

- Enrollment increase of 95 students
- Staffing decrease of approximately 13 FTE



Pittsford Central School District 2017-2018 Budget Adoption

Proposed Total Revenue Summary

DESCRIPTION	2012-13	2013-14	2014-15	2015-16	2016-17	ESTIMATED 2017-18	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
PROPERTY TAX LEVY & STAR	\$ 87,709,370	\$ 91,075,881	\$ 92,666,331	\$ 94,750,493	\$ 95,301,955	\$ 97,875,108	\$ 2,573,153	2.70%
STATE AID	\$ 17,350,090	\$ 18,084,866	\$ 19,023,483	\$ 19,819,314	\$ 21,832,029	\$ 23,724,289	\$ 1,892,260	8.67%
SALES TAX	\$ 4,500,000	\$ 4,600,000	\$ 4,900,000	\$ 4,912,858	\$ 4,912,858	\$ 5,110,000	\$ 197,142	4.01%
INTEREST	\$ 123,968	\$ 98,000	\$ 69,125	\$ 45,758	\$ 45,758	\$ 45,000	\$ (758)	-1.66%
MISC REVENUE	\$ 1,534,948	\$ 1,449,482	\$ 1,303,169	\$ 1,116,970	\$ 1,236,910	\$ 1,063,121	\$ (173,789)	-14.05%
FUND BALANCE & RESERVES	\$ 1,928,000	\$ 1,943,000	\$ 1,943,000	\$ 1,943,000	\$ 2,177,000	\$ 2,247,000	\$ 70,000	3.22%
TOTAL REVENUES	\$ 113,146,376	\$ 117,251,229	\$ 119,905,108	\$ 122,588,393	\$ 125,506,510	\$ 130,064,518	\$ 4,558,008	3.63%

• Specific Highlights

- Property Tax Levy – Sixth year of the Property Tax Cap. For Pittsford this year the formula calculates to a capped increase over the prior year's levy of just 2.72%. Formula "Exclusion Items" that affect the Tax Cap :
 - Increase in Property Tax Base (transfer from COMIDA to tax roll)
 - Start of approved debt payments on the 2012 capital project referendum
 - Proposed Tax Levy is within the Property Tax Cap so a simple majority of the voters (50% +1) is necessary
- State Aid – Governor's Proposed Budget
 - Foundation (General Operating) continues to be political, not formula based and afforded PCSD the legal minimum
 - The enacted NYS budget only provided another \$74,000 in Foundation Aid, \$4.0m less than the law requires
 - Some of increase is due to the start of Building Aid on the new project, thereby offsetting most of the debt service expenditure

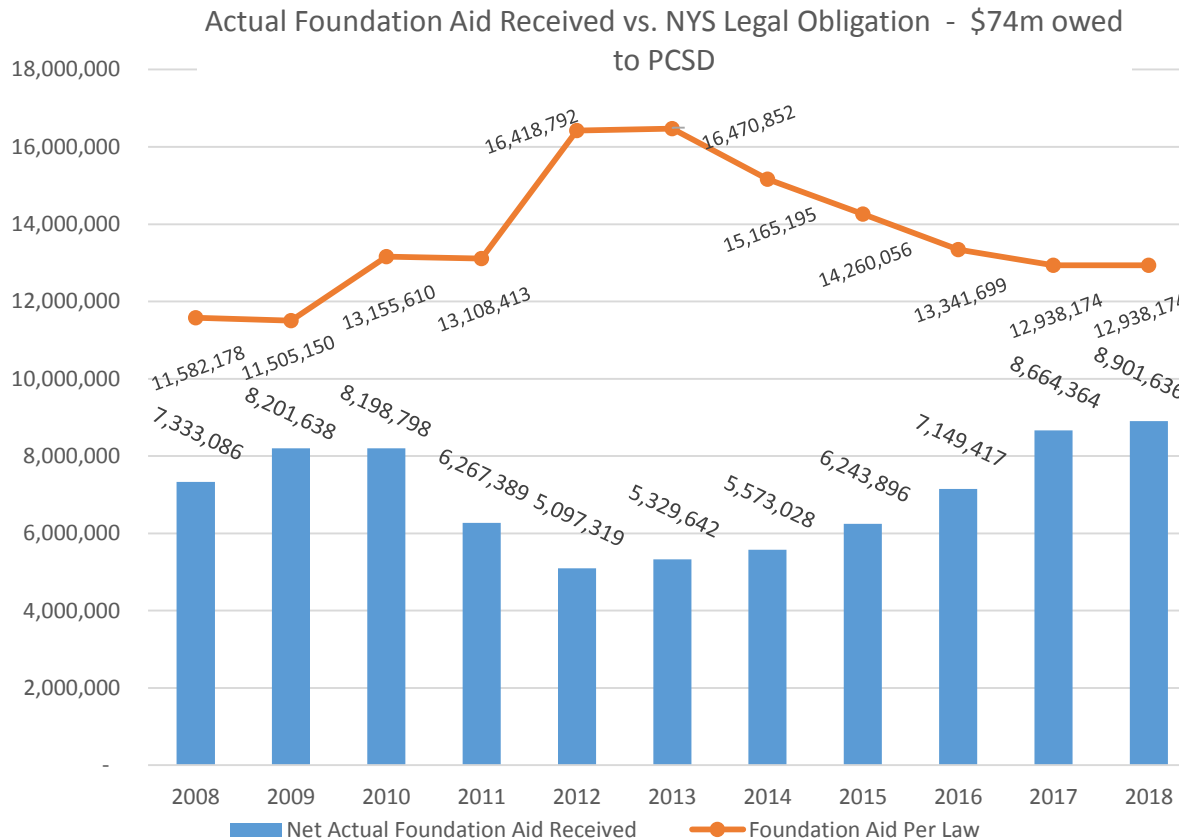


Pittsford Central School District 2017-2018 Budget Adoption

- Foundation Aid, why talk about it?
 - It is the basic form of aid to all schools to fund the basic programs public schools are required to provide
 - It is the basis of many Community, District and Board of Education decisions
 - It's about sustainability into the future
 - When the funding is less while the required programs and services are more, other programs are reduced and/or property taxes increase
 - Property Taxes are capped, meaning in Pittsford, the two largest funding sources are constricted
 - It is not funded per law and the distribution is not equitable

Pittsford Central School District 2017-2018 Budget Adoption

New York State Aid to Schools



- Foundation (operating) Aid
 - Due to NYS losing Campaign for Fiscal Equity lawsuit
 - Court determined “NYS School funding was inequitable and unconstitutional”
 - Schools were to receive more funding and know four years in advance what the aid would be. (not political)
 - 2007-08 Aid was frozen
 - 2010-11 Gap Elimination Adjustment (GEA) introduced to further reduce the aid. GEA eliminated in 2016-17
- Result
 - Pittsford is 51% funded to formula. NYS average is approximately 62%
 - Cumulatively has received \$74m less than law provides
 - Should be getting \$4.0m more for 2017-18



Pittsford Central School District 2017-2018 Budget Adoption

- Foundation Aid is funded through NYS income taxes. NYS Resident Income Taxes have not decreased yet the funding is not going to where it is legally required.
 - Shifting of tax burden from the State to schools while mandating increases in curriculum, programs and services
 - Capping a school's ability to balance a budget is even more punitive in a district heavily dependent on the Tax Levy (76% of PCSD support is Tax Levy)



Pittsford Central School District 2017-2018 Budget Adoption

2017-18 Property Tax Report Card

261401 - Pittsford Central

Contact Person: LEEANNE REISTER

Telephone Number: 585-267-1036

	Budgeted 2016-17 (A)	Proposed Budget 2017-18 (B)	Percent Change (C)
Total Budgeted Amount, not Including Separate Propositions	125,506,510	130,064,518	3.63%
A. Proposed Tax Levy to Support the Total Budgeted Amount ¹	95,301,955	97,875,108	
B. Tax Levy to Support Library Debt, if Applicable	0	0	
C. Tax Levy for Non-Excludable Propositions, if Applicable ²	0	0	
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy, if Applicable	0	0	
E. Total Proposed School Year Tax Levy (A + B + C - D)	95,301,955	97,875,108	2.70%
F. Permissible Exclusions to the School Tax Levy Limit	2,561,939	3,062,691	
G. School Tax Levy Limit, <u>Excluding</u> Levy for Permissible Exclusions ³	92,740,016	94,827,544	
H. Total Proposed School Year Tax Levy, <u>Excluding</u> Levy to Support Library Debt and/or Permissible Exclusions (E - B - F + D)	92,740,016	94,812,417	
I. Difference: (G - H); (negative value requires 60.0% voter approval) ²	0	15,127	
Public School Enrollment	5,685	5,780	1.67%
Consumer Price Index			1.26%

¹ Include any prior year reserve for excess tax levy, including interest.

² Tax levy associated with educational or transportation services propositions are not eligible for exclusion under the School Tax Levy Limit and may affect voter approval requirements.

³ For 2017-18, includes any carryover from 2016-17 and excludes any tax levy for library debt or prior year reserve for excess tax levy, including interest.

	Actual 2016-17 (D)	Estimated 2017-18 (E)
Adjusted Restricted Fund Balance	28,637,385	29,684,624
Assigned Appropriated Fund Balance	1,534,000	1,534,000
Adjusted Unrestricted Fund Balance	5,020,260	5,202,581
Adjusted Unrestricted Fund Balance as a Percent of the Total Budget	4.00%	4.00%

Pittsford Central
School District
Property Tax
Report Card
(legally
required)



Pittsford Central School District 2017-2018 Budget Adoption

What is a Contingent Budget and process?

- If the voters do not approve the revote budget (Proposal #2), the Board of Education is required to implement a contingent (austerity) budget
- Contingent Budget Cap is no longer based on a permissible expenditure growth, but a cap on the taxes levied. ***The Tax Levy cannot be greater than the previous year.***
- **The Contingent Budget**
 - Contingent Budget must be calculated based on a zero percent tax levy increase and as required by law, certain items must be removed from the budget:
 - ♦ Non health & safety or preservation of facilities related equipment
 - ♦ Community or non-school use of facilities
 - ♦ The BOE must determine “ordinary contingent expenses” per the law
- **If a Contingent Budget were necessary, at \$127,491,365 the result would be:**
 - **A loss of \$2.6m of Tax Levy revenue**
 - **An additional \$2.6m of reductions or other measures would be required to balance the budget**



Pittsford Central School District 2017-2018 Budget Adoption

What does this mean to me, the taxpayer?

- The Tax Rate is extremely difficult to estimate
 - The formula has many variables, and all but one are unknown until August
 - NYS and related sources recommend against publicizing an estimated tax rate due to the volatility and variability

Estimate	Approved 2016-2017	Estimated 2017-2018	\$ Change	% Change
Est. FV Tax Rate (\$1000 assessed value)	\$25.51	\$25.96	\$0.45	1.76%
Average \$250,000 Assessed Home (with Basic STAR)	\$5,612	\$5,711	\$99	1.76%

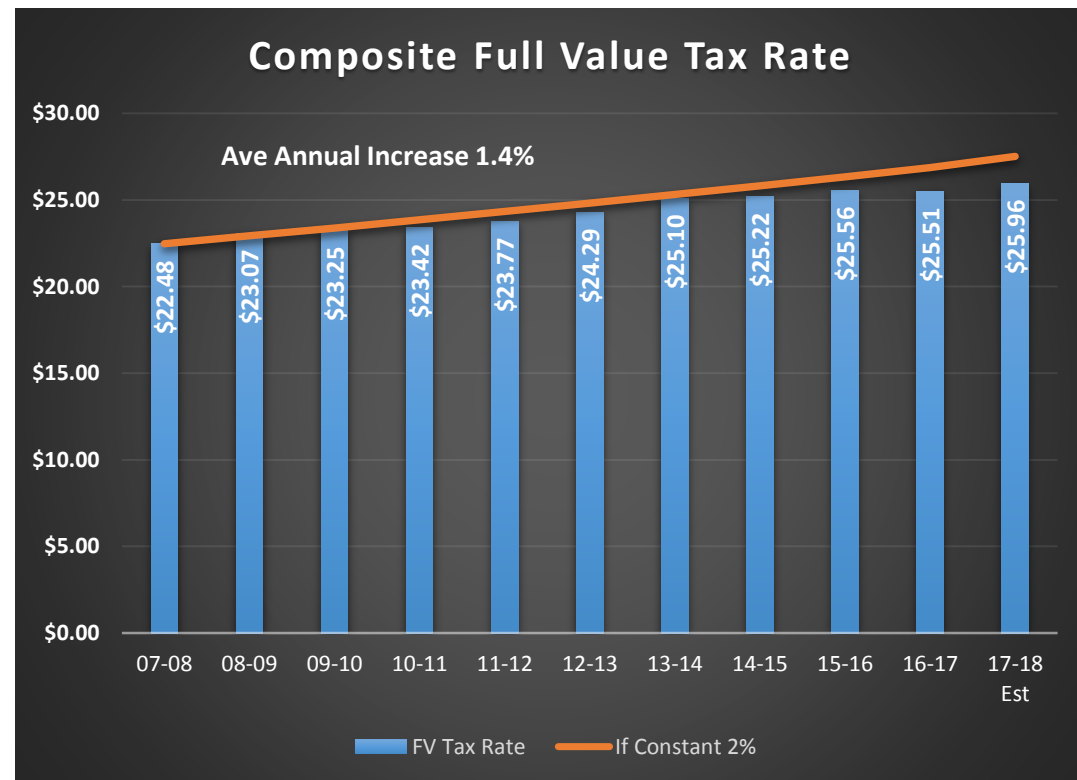
The above is an estimate based on the best current and trend information available at this time and therefore highly likely to change in August. The intent is for reference only and caution should be exercised.



Pittsford Central School District 2017-2018 Budget Adoption

Composite True Value Tax Rate

- Since the inception of Foundation Aid:
 - The Tax Rate has experienced an average annual increase of 1.4%
 - If the Tax Rate increased by a stable 2% per year (orange line) the Tax Rate would be \$1.53 or 5.7% more than estimated 2017-18 Tax Rate
 - Equates to approx. \$337 savings from projected for average \$250,000 assessed home
- 2008-09 and 2017-18 fiscal years both experienced implementation of debt service on capital projects





Pittsford Central School District 2017-2018 Budget Adoption

Key Points

- **Proposed Budget** Increase is 3.6%
- Estimated **Tax Levy** Increase is 2.7%
 - Within the Tax Cap so:
 - Simple majority support (50% + 1 of voters) is required to pass
 - Based on current information will be NYS Tax Credit eligible (may vary based on individual)
- **Estimated Tax Rate** Increase of \$0.45 or 1.8%
 - Approx. \$99 property tax increase for average homeowner (\$250,000 assessed value, eligible for BASIC STAR exemption)
 - *It is difficult to project the tax rate since there are several variables that will not be known until August. NYS and other sources recommend NOT publicly projecting the tax rate due to the variability of unknowns. **It is important to note this is just an estimate and subject to change.***
 - For example last year at this time we projected the Tax Rate to be \$25.75 or a \$0.19 increase
 - The actual 2016-17 Tax Rate is \$25.51 and was a \$0.05 decrease from the prior year
- **Contingent Budget** would be approximately \$127,491,365; would require a 0% tax levy increase and as a result an additional \$2.6m of reductions would be required



Pittsford Central School District 2017-2018 Budget Adoption

Board Action Required

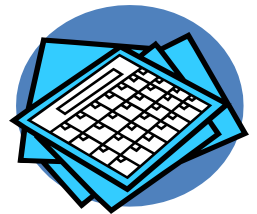
- **BE IT RESOLVED** that the Board of Education of the Pittsford Central School District, at its meeting of May 24, 2017, does hereby adopt as a corporate body the Superintendent's 2017-2018 Proposed Budget in the total amount of \$130,064,518 as presented. The adoption of the 2017-2018 Proposed Budget requires an estimated tax levy of \$97,875,108; +2.70% which is in compliance with the statutory tax levy increase limit of \$97,890,235; 2.72% and therefore is within the NYS Tax Cap and must be approved by at least 50% +1 of the qualified voters present and voting, **AND FURTHER**, that said Board of Education be authorized and directed to levy and collect a tax upon all taxable property in said School District in an amount necessary therefore.
- **BE IT FURTHER RESOLVED** that the Board of Education of the Pittsford Central School District approves the Property Tax Report Card and authorizes the Assistant Superintendent for Business to electronically submit to the New York State Commissioner of Education within 24 hours, as per law.



Pittsford Central School District 2017-2018 Budget Adoption

Important Dates

- June 12 – Public Budget Hearing
- June 20 – Budget Vote and Board Election





Pittsford Central School District 2017-2018 Budget Adoption

- Board of Education Questions and Discussion
- End of Presentation
- Presentation may be reviewed on District's website:

www.pittsfordschools.org