

Wheatland-Chili Central Schools 2019–2020 Budget Development

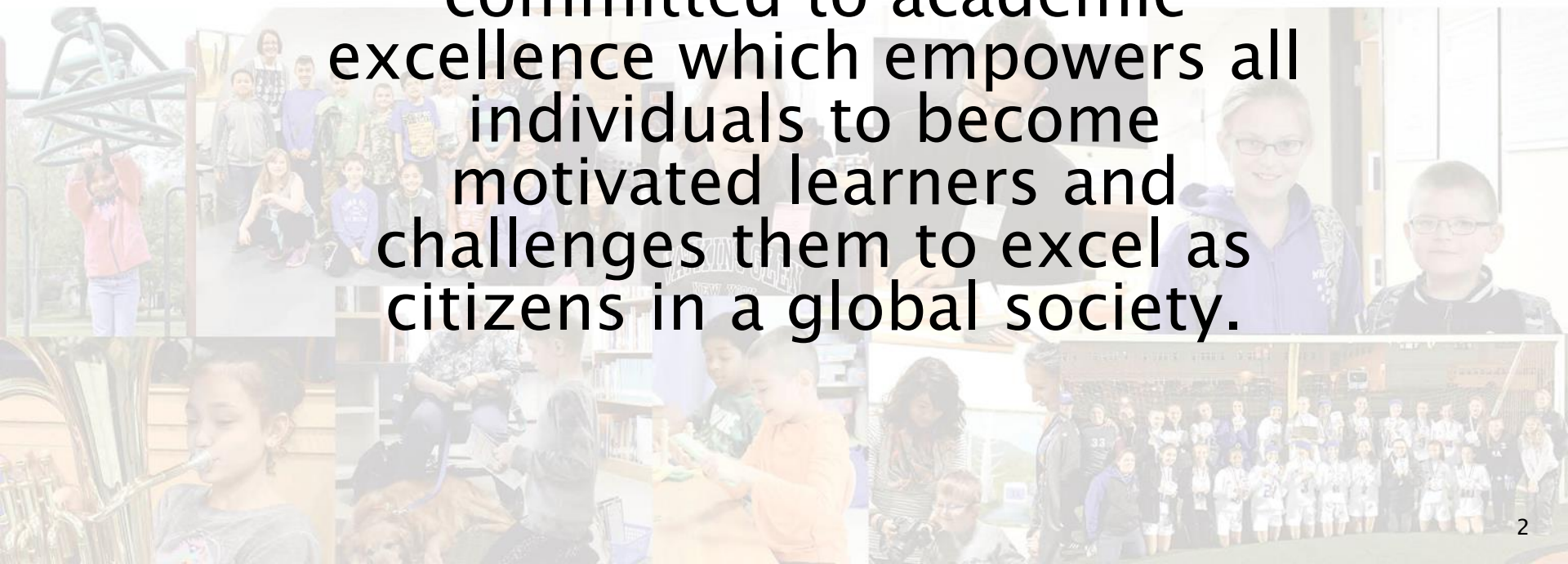
General Support, Community Services, Transfers, and Debt Service

Board of Education Meeting
January 7, 2019



District Mission

The Wheatland–Chili Central School community is committed to academic excellence which empowers all individuals to become motivated learners and challenges them to excel as citizens in a global society.



District Objectives

- ▶ Build a 2019–2020 budget that:
 - Supports Board of Education goals
 - Preserves District assets
 - Is fiscally responsible, reasonable, and balanced
- ▶ Build the 2019–2020 budget with future budgets in mind:
 - Assess dependence on appropriated fund balance
 - Thorough analysis of five–year plan for use of reserves

Board of Education Priorities

- ▶ Support high quality, individualized curriculum and student development of 21st Century learning skills.
- ▶ Improve parent engagement, communication, and customer service.
- ▶ Encourage all students to meet college and career readiness expectations.
- ▶ Support students in the development of social and emotional learning skills.
- ▶ Institute, manage, and monitor the 2017 capital project to promote the mission and vision of the school.

2019–2020 Budget Development Timeline

| Date | Presentation |
|--------------------|--|
| January 7 | General Support, Capital/Debt Service |
| January 22 (Tues.) | Facilities and Transportation |
| February 11 | Instruction (Pupil Services, Special Education, BOCES) |
| February 25 | Instruction (Elementary, Secondary, Sports, Co-Curricular, Technology) and Employee Benefits |
| March 11 | Review Preliminary Draft Budget |
| March 25 | Review Draft Budget |
| April 3 (Wed.) | Budget Workshop |
| April 8 | Adoption of Proposed Budget |
| May 13 | Budget Hearing and Meet the Candidates Night |
| May 21 (Tues.) | Budget Vote |
| June 18 (Tues.) | Statewide Budget Revote Day |

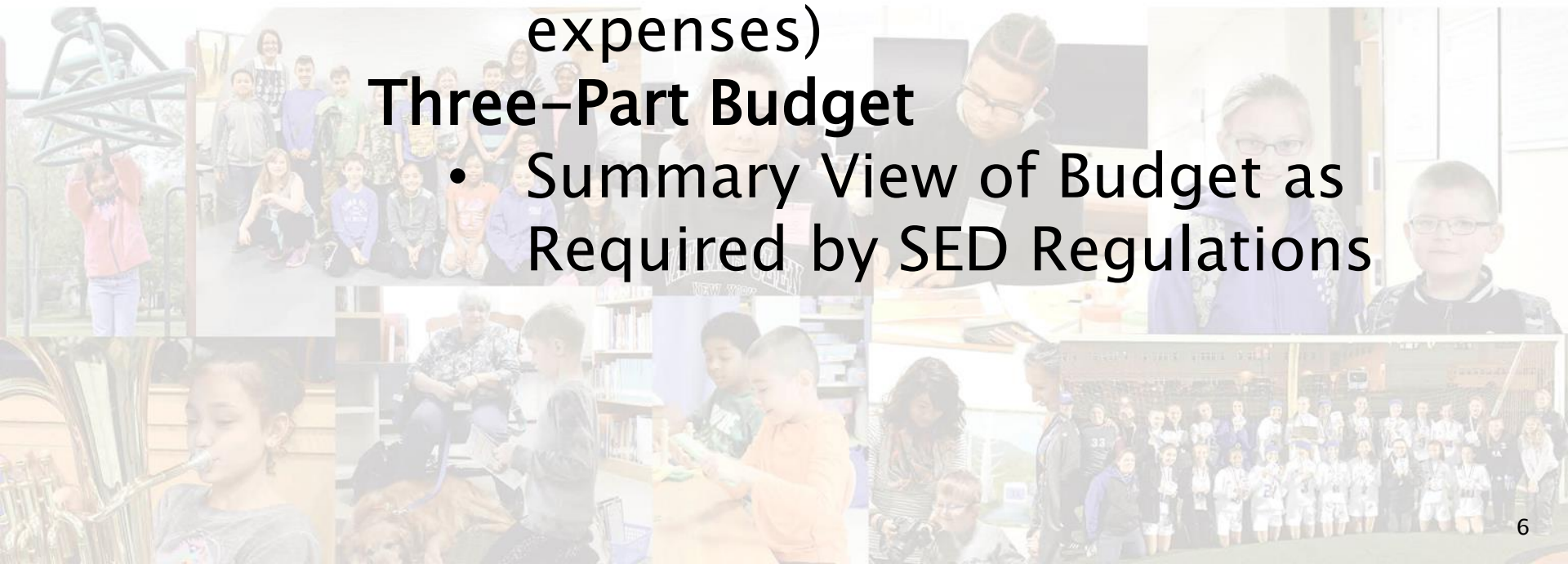
Budget Views

Areas of Expenditure

- Budget View by Function Codes (general types of expenses)

Three-Part Budget

- Summary View of Budget as Required by SED Regulations



Areas of Expenditure (function codes)

Expenditure codes are arranged by functional unit and object of expenditure. The term **function** refers to the primary classification and description as to purpose (what was the purpose of the expenditure). The first four digits identify the function:

- ▶ **1000 – 1999 General Support**
- ▶ 2000 – 2999 Instruction
- ▶ 5000 – 5999 Transportation
- ▶ **6000 – 8999 Community Service**
- ▶ 9000 – 9099 Employee Benefits
- ▶ **9700 – 9799 Debt Service**
- ▶ **9900 – 9999 Interfund Transfers**

Each function is further subdivided to better classify the expenditure. For example, expenditure code 1325 in the General Support function identifies the Treasurer's Office within the financial office of the school district.

Three-Part Budget (Function Codes)

| Budget Type | Components |
|----------------|--|
| Administrative | <p>Overall general support and management of the operations of the District:</p> <ul style="list-style-type: none">• Board of Education costs• Central and school administration• Finance (including tax collection, purchasing, legal and auditing expenses)• Curriculum development• BOCES administrative expenses |
| Program | <p>Largest portion of all planned expenditures for instruction and support services:</p> <ul style="list-style-type: none">• Instructional, co-curricular, and athletic programs• Counseling and health services• Pupil transportation |
| Capital | <p>Costs associated with maintaining facilities and grounds:</p> <ul style="list-style-type: none">• Building and equipment repairs• Custodial and maintenance supplies• Utilities• Debt service |

What do we know about the 2019–2020 Budget?

Major Non-Discretionary Expenses

- Employment contract provisions to meet instructional needs (salaries and benefits)
- Employer retirement costs, social security, unemployment (rates as mandated)
- Debt payments (similar to mortgage payments)
- BOCES administrative costs
- Auditing services (required by law)
- Services for special education students (tuitions and related services)
- Materials and textbooks required for instruction
- Utilities (electricity, heat, telephone, etc.)
- Transportation costs (as required by law)

2019–2020 Proposed Base Budget (by function codes)

- General Support
- Community Services, Transfers, and Debt Services



What do we know about General Support?

Board of Education

- Membership in Monroe County School Boards and New York State School Boards Associations
- BOCES Policy Maintenance (Erie I BOCES)
- Legal Notices, Board Clerk Expenses, Annual Voting Expenses

Central Administration

- Superintendent's Office: salaries and benefits, supplies, professional development

Finance

- Business Office: salaries and benefits, supplies
- Auditing: internal auditor, external auditor, claims auditor
- Fiscal Planning and Advisory Services
- Tax Collection
- Treasury and Purchasing Functions

General Support (Continued)

Other Costs

- Legal Expenses, including Labor Relations Service (Monroe #2 BOCES)
- Personnel: recruiting and fingerprinting (Monroe #2 BOCES)
- Public Information: newsletters, calendars, and legal notices
- Central Data Processing: financial management system
- Liability and Property Insurance
- BOCES Administrative Costs

Facilities

- ▶ To be discussed at January 22, 2019 Board meeting



General Support (Continued)

| Type / Codes | 2018-19 Budget | Projected 2019-20 Budget |
|---|------------------|--------------------------|
| Board of Education / Central Administration (1010-1240) | 292,827 | 301,844 |
| Finance (1310-1345) | 300,145 | 309,124 |
| Personnel / Public Information Services (1420-1480) | 207,808 | 211,965 |
| Central Services (1670-1680) | 125,326 | 127,832 |
| Special Items (1910-1999) | 261,599 | 266,832 |
| TOTAL COST | 1,187,705 | 1,217,597 |

NOTES:

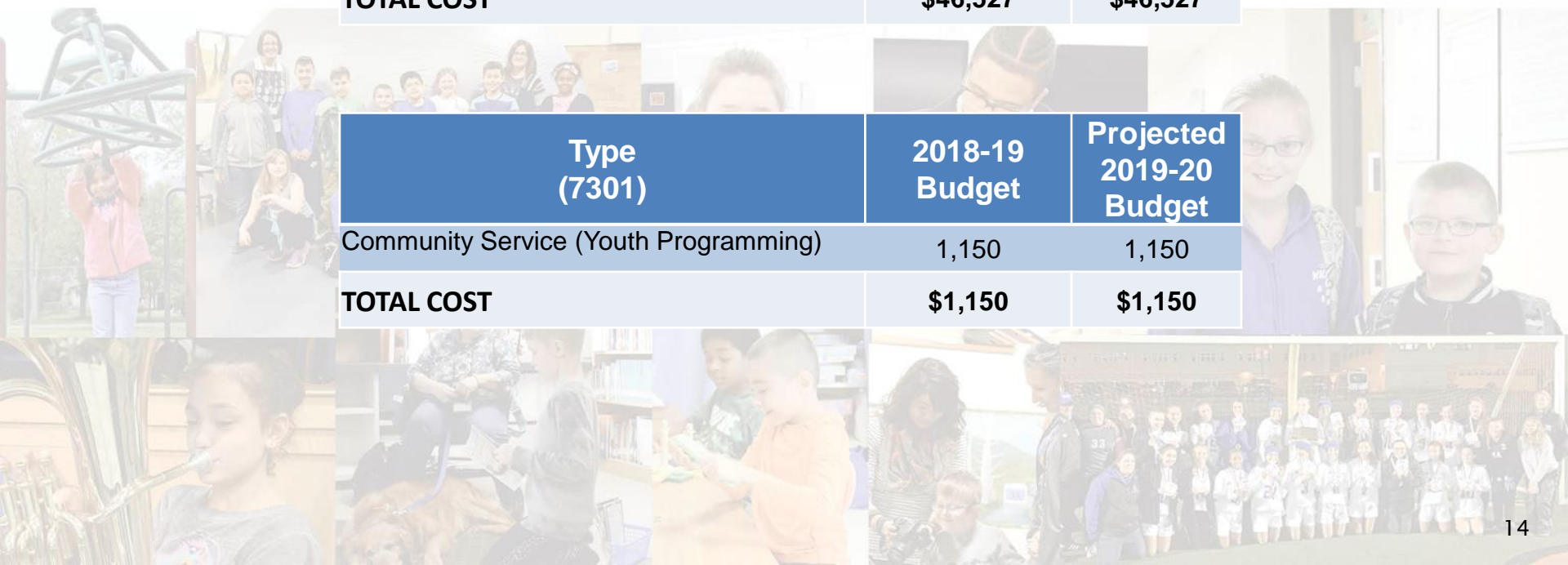
- General planning assumption for General Support Base Budget is 2.5% increase from 2018–2019 Original Budget with adjustments to specific codes based on actual expenses
- General Support also includes Facility Operations to be discussed at 1/22/19 Board meeting

What do we know about Community Services, Transfers, and Debt Services?



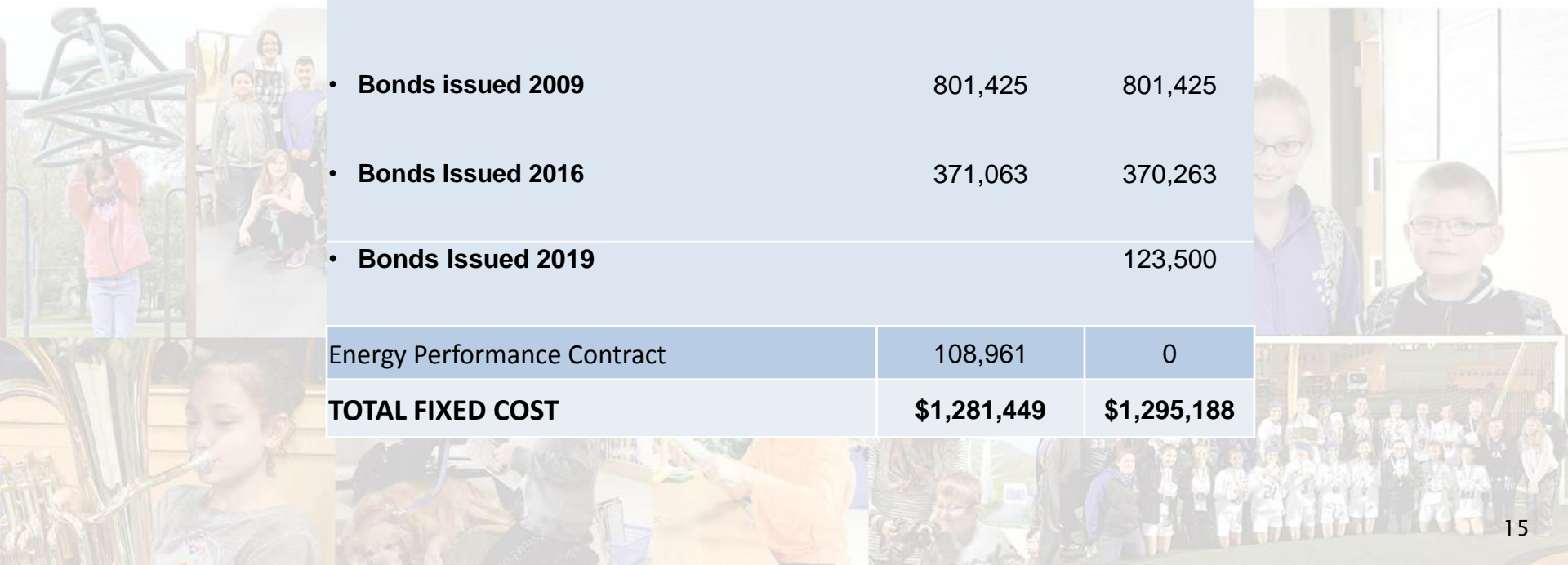
| Type (9901) | 2018-19 Budget | Projected 2019-20 Budget |
|-------------------------------|-----------------|--------------------------|
| Transfer to Special Aid Funds | 46,527 | 46,527 |
| TOTAL COST | \$46,527 | \$46,527 |

| Type (7301) | 2018-19 Budget | Projected 2019-20 Budget |
|---------------------------------------|----------------|--------------------------|
| Community Service (Youth Programming) | 1,150 | 1,150 |
| TOTAL COST | \$1,150 | \$1,150 |



Community Services, Transfers, and Debt Services (Continued)

| Type (9901) | 2018-19 Budget | Projected 2019-20 Budget |
|--|--------------------|--------------------------------|
| Annual payments on serial bonds issued to fund past capital building projects | | |
| • Bonds issued 2009 | 801,425 | 801,425 |
| • Bonds Issued 2016 | 371,063 | 370,263 |
| • Bonds Issued 2019 | | 123,500 |
| Energy Performance Contract | 108,961 | 0 |
| TOTAL FIXED COST | \$1,281,449 | \$1,295,188 |



Adjustment to Tax Levy Calculation for 2018–2019

- ▶ Tax levy calculation for 2018–2019 (current year) was modified to correct the exclusion related to capital expenses (see slides 17 and 18)
 - Removal of amount related to the bus purchase
- ▶ This has the effect of increasing the tax levy limit for 2019–2020 from 0.62% to 2.26%
- ▶ Slides have been modified to reflect a 2.0% tax levy
- ▶ Levy dollar amounts are changed from \$9,363,223 (with 0.62% levy increase) to \$9,491,640 (with 2.0% levy increase)

ORIGINAL TAX LEVY CALCULATION, 11.13.18

Tax Cap Calculator Results Report

Base Budget Forecast

| | BUDGET | | PROJECTIONS | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Tax Levy Limit Before Adjustments and Exclusions | | | | | | |
| Prior FYE Tax Levy | \$9,305,529 | \$9,305,529 | \$9,363,223 | \$9,550,487 | \$9,741,497 | \$9,930,482 |
| Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Tax Cap Reserve Amount (including interest earned from Prior FYE) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Tax Base Growth Factor | 1.0020 | 1.0020 | 1.0020 | 1.0020 | 1.0020 | 1.0020 |
| PILOTs Receivable from Prior FYE | \$11,181 | \$30,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Tort Exclusion Amount Claimed in Prior FYE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Levy for Prior FYE | \$100,719 | \$333,345 | \$182,438 | \$177,260 | \$181,828 | \$158,886 |
| Allowable Growth Factor | 1.0200 | 1.0200 | 1.0200 | 1.0200 | 1.0200 | 1.0200 |
| PILOTs Receivable for Current FYE | \$30,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Available Carryover from Prior FYE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Levy Limit Before Adjustments and Exclusions | \$9,389,294 | \$9,181,211 | \$9,580,575 | \$9,580,575 | \$9,771,135 | \$9,987,686 |
| Exclusions | | | | | | |
| Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Levy for Current FYE | \$333,345 | \$182,438 | \$177,260 | \$181,828 | \$158,886 | \$29,973 |
| ERS contribution increase greater than 2% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TRS contribution increase greater than 2% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Exclusions | \$333,345 | \$182,438 | \$177,260 | \$181,828 | \$158,886 | \$29,973 |
| Tax Levy Limit, Adjusted For Transfers, Plus Exclusions | \$9,722,639 | \$9,363,649 | \$9,561,162 | \$9,762,403 | \$9,930,021 | \$10,017,659 |
| Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Current FYE Proposed Levy, Net of Reserve | \$9,305,529 | \$9,363,223 | \$9,550,487 | \$9,741,497 | \$9,930,482 | \$10,017,870 |
| OR Current FYE Proposed Levy, Net of Reserve % | 0.00% | 0.62% | 2.00% | 2.00% | 1.94% | 0.88% |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| CURRENT FYE PROPOSED LEVY, \$ entry | \$9,305,529 | \$9,363,223 | \$9,550,487 | \$9,741,497 | \$9,930,482 | \$10,017,870 |
| CURRENT FYE PROPOSED LEVY, % entry | \$0 | \$9,363,223 | \$9,550,487 | \$9,741,497 | \$9,930,482 | \$10,017,870 |
| CURRENT FYE PROPOSED LEVY, NET OF RESERVE % | 0.00% | 0.62% | 2.00% | 2.00% | 1.94% | 0.88% |
| TAX LEVY LIMIT % | 4.48% | 0.62% | 2.11% | 2.22% | 1.94% | 0.88% |
| DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY | \$417,110 | \$428 | \$10,675 | \$20,906 | (\$461) | (\$211) |
| YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY | \$0 | \$57,694 | \$187,264 | \$191,010 | \$188,985 | \$87,388 |

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FORECAST5
ANALYTICS

CORRECTED TAX LEVY CALCULATION, 12.21.18

Tax Cap Calculator Results Report

Base Budget Forecast w/ Reserve Adjustment & Tax Cap Adjustment

| | BUDGET | | PROJECTIONS | | | |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Tax Levy Limit Before Adjustments and Exclusions | | | | | | |
| Prior FYE Tax Levy | \$9,305,529 | \$9,305,529 | \$9,491,640 | \$9,881,473 | \$9,875,102 | \$10,066,679 |
| Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Tax Cap Reserve Amount (including interest earned from Prior FYE) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Tax Base Growth Factor | 1.0020 | 1.0020 | 1.0020 | 1.0020 | 1.0020 | 1.0020 |
| PILOTS Receivable from Prior FYE | \$11,181 | \$30,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Tort Exclusion Amount Claimed in Prior FYE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Levy for Prior FYE | \$100,719 | \$183,745 | \$182,438 | \$177,260 | \$181,828 | \$158,886 |
| Allowable Growth Factor | 1.0200 | 1.0200 | 1.0200 | 1.0200 | 1.0200 | 1.0200 |
| PILOTS Receivable for Current FYE | \$30,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Available Carryover from Prior FYE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Levy Limit Before Adjustments and Exclusions | \$9,389,294 | \$9,333,803 | \$9,714,447 | \$9,714,447 | \$9,907,685 | \$10,126,885 |
| Exclusions | | | | | | |
| Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Levy for Current FYE | \$183,745 | \$182,438 | \$177,260 | \$181,828 | \$158,886 | \$29,973 |
| ERS contribution increase greater than 2% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TRS contribution increase greater than 2% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Exclusions | \$183,745 | \$182,438 | \$177,260 | \$181,828 | \$158,886 | \$29,973 |
| Tax Levy Limit, Adjusted For Transfers, Plus Exclusions | \$9,573,039 | \$9,516,241 | \$9,692,409 | \$9,896,275 | \$10,066,571 | \$10,156,858 |
| Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy | | | | | | |
| Current FYE Proposed Levy, Net of Reserve | \$9,305,529 | \$9,491,640 | \$9,681,473 | \$9,875,102 | \$10,066,679 | \$10,157,279 |
| OR Current FYE Proposed Levy, Net of Reserve % | 0.00% | 2.00% | 2.00% | 2.00% | 1.94% | 0.90% |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| CURRENT FYE PROPOSED LEVY, \$ entry | \$9,305,529 | \$9,491,640 | \$9,681,473 | \$9,875,102 | \$10,066,679 | \$10,157,279 |
| CURRENT FYE PROPOSED LEVY, % entry | \$0 | \$9,491,640 | \$9,681,473 | \$9,875,102 | \$10,066,679 | \$10,157,279 |
| CURRENT FYE PROPOSED LEVY, NET OF RESERVE % | 0.00% | 2.00% | 2.00% | 2.00% | 1.94% | 0.90% |
| TAX LEVY LIMIT % | 2.87% | 2.26% | 2.12% | 2.22% | 1.94% | 0.90% |
| DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY | \$267,510 | \$24,801 | \$10,936 | \$21,173 | (\$108) | (\$421) |
| YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY | \$0 | \$188,111 | \$189,833 | \$193,629 | \$191,577 | \$90,600 |

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FORECAST5
ANALYTICS

Major Revenue Assumptions 2019–2020

- Increase in state aid of 2.0%
- Allowable levy growth (tax levy limit) is at 2.0% before exclusions (from 1.84% in fiscal 2018)
 - District projections are based on **2.0%** increase at this time
- Five-year plan for use of reserve funds
 - Appropriated Fund Balance: \$270,000 in 2019–2020 (compared to \$320,000 in 2018–2019)
 - Employees Retirement System: \$300,000 in 2019–2020 (compared to \$31,000 in 2018–2019)

2018-19 vs 2019-20 Projected Revenues

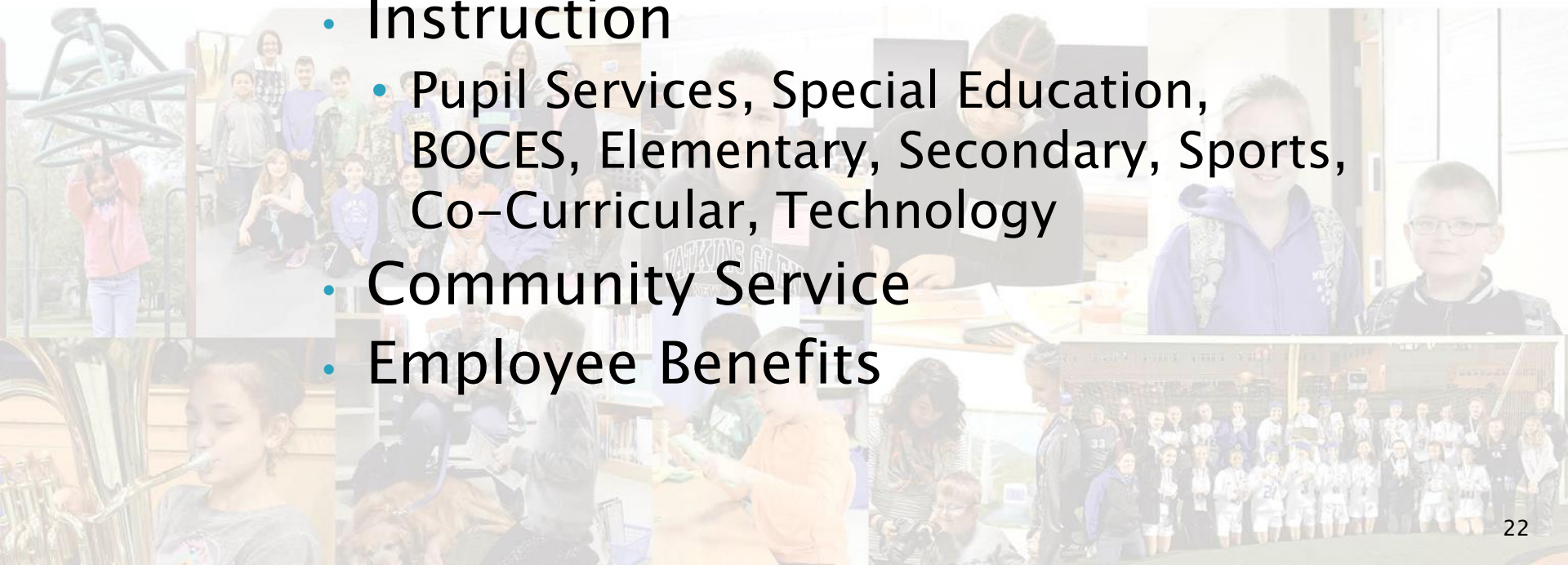


Major Expense Assumptions 2019–2020

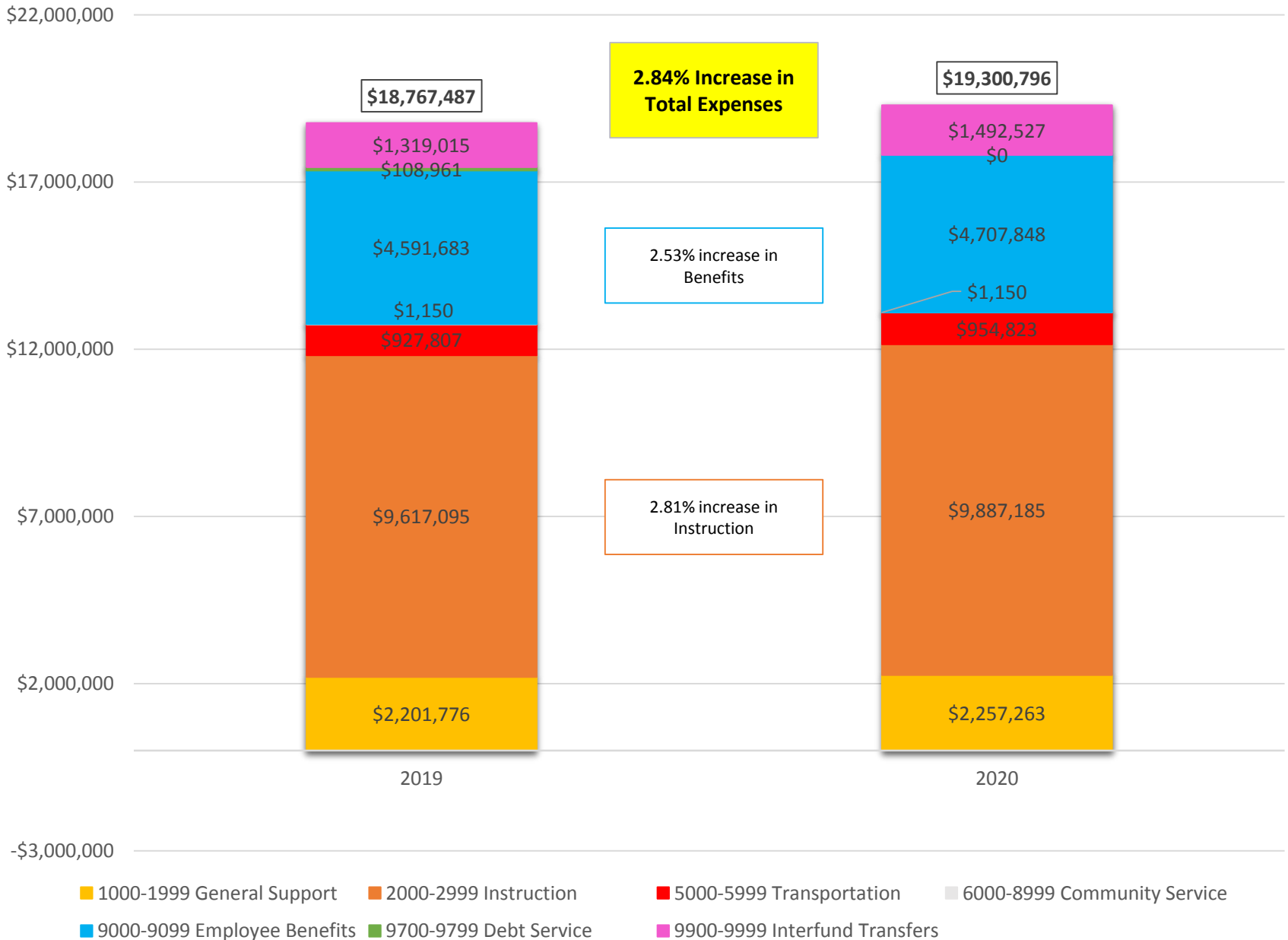
- ▶ Increase in expenses from 2018–2019 to 2019–2020:
 - Percentage increase in all contractual salary codes
 - Employee benefit trends
 - Teachers Retirement System – 10% increase
 - Employees Retirement System – 14.9% increase
 - Health, dental, and vision – 8.5%
 - Debt service from schedule
 - BOCES Budget – 2% to 2.5% in various categories
 - Contractual, materials, and supplies – 2% increase

Areas of Expenditure (functional areas)

- General Support
- Capital/Debt Service
- Facilities/Pupil Transportation
- Instruction
 - Pupil Services, Special Education, BOCES, Elementary, Secondary, Sports, Co-Curricular, Technology
- Community Service
- Employee Benefits

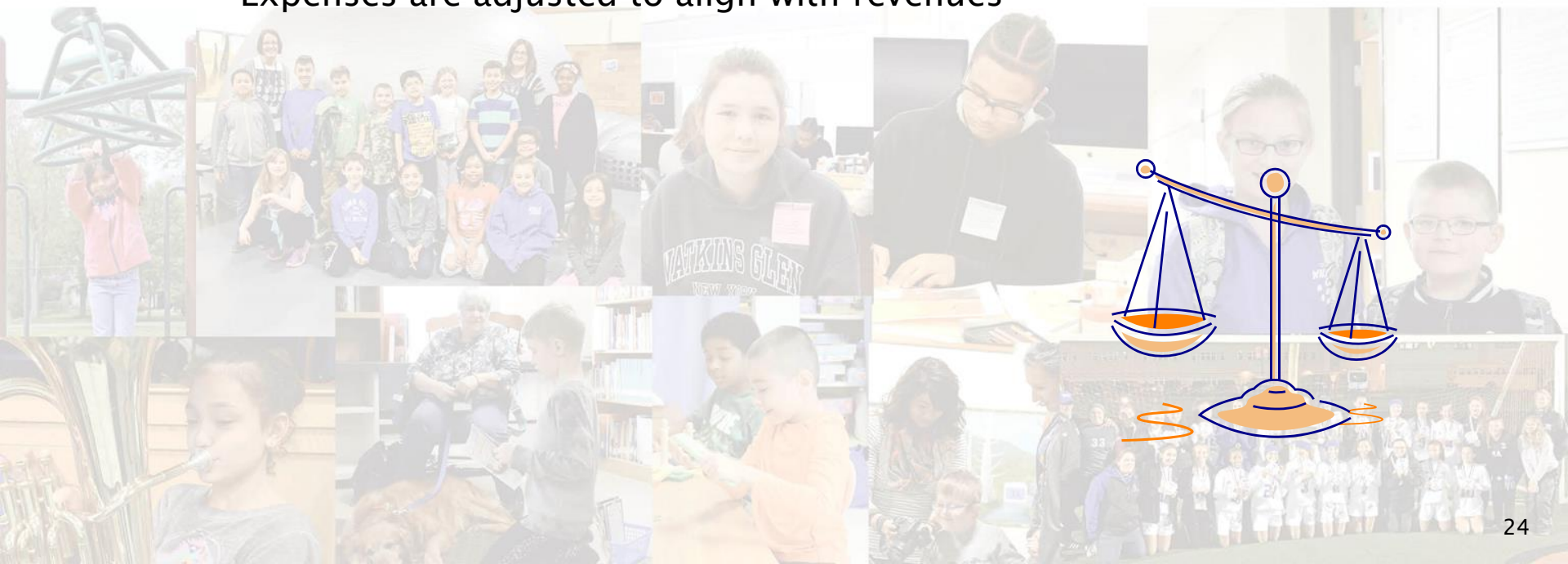


2018-19 vs 2019-20 Projected Expenses



What is our starting point based on the budget variables?

- To stay within a tax levy limit of 2.0%, assuming 2.0% increase in state aid, we begin the process with \$67,598 of anticipated excess revenues
- The amount of this “difference” will change as
 - Expenses are adjusted to align with revenues



2019-20 PROPOSED BUDGET

SUMMARY OF APPROPRIATIONS

| | Actual Expenditures 2017-18 | Adopted Budget 2018-19 | Projected Expense 2019-20 | Adopted vs. Projected Expense Variance Amount | % Variance |
|---|-----------------------------------|---------------------------|------------------------------|---|--------------|
| General Support | 2,183,406 | 2,201,776 | 2,257,263 | 55,487 | 2.52% |
| Instruction | 9,860,796 | 9,617,095 | 9,887,185 | 270,090 | 2.81% |
| Pupil Transportation | 909,949 | 927,807 | 954,823 | 27,016 | 2.91% |
| Employee Benefits, Transfers, Debt | 4,006,939 | 4,700,644 | 4,707,848 | 7,204 | 0.15% |
| Community Services | 0 | 1,150 | 1,150 | 0 | 0.00% |
| Debt Services | 1,174,638 | 1,172,488 | 1,296,000 | 123,512 | 10.53% |
| Transfers to Capital | 1,758,774 | 100,000 | 150,000 | 50,000 | 50.00% |
| Transfers to Special Aid | 44,894 | 46,527 | 46,527 | 0 | 0.00% |
| TOTAL | \$19,939,396 | \$18,767,487 | \$19,300,796 | \$533,309 | 2.84% |



2019–2020 Budget Development Process

- Follow the approved timeline
- Continue to refine expenses
- Work with leadership to develop draft budget



2019-2020 Budget Development Process

January 22, 2019

- General Support (Facilities)
- Transportation

