

2018-19 Budget First Draft

February 2018

+ 2 Significant Changes since the 1/29 Budget Workshop

1. We received updated data on the capital exclusions used to calculate the tax cap – the updated calculation shows that our tax levy limit is 2.78%.

This change is caused by the payoff of district debt and the state aid generated by that debt changing. Our net capital expenses are dropping faster than estimated previously, causing the tax levy limit to drop to 2.78%.

2. We have removed the \$100,000 capital project from the budget. We had planned to replace the pool mechanical room ventilation system, but an updated estimate indicates that this project will exceed \$100,000, so it cannot be included. We will instead include this in the capital project.

We recommend using the existing repair reserve to fund replacement of lights in the MS and HS gyms with LED fixtures and lights. This will be eligible for 60% reimbursement from National Grid. There is no impact to the general fund budget from this.

+ First Budget Draft - Expenditures

- We begin the first budget draft by rolling over the expenditure budget from 2018-19 and making these adjustments:
- Increasing salaries for all current positions according to contracts (retiree savings are factored into the draft budget)
- Applying the 18-19 Employee Retirement System (ERS) and Teachers Retirement System (TRS) required contribution rates to payroll
- Applying health insurance rate increases for all current positions
- Estimating program spending changes based on special education needs, Career and Technical Education needs, BOCES services, etc.
- Estimating Transportation and Operations needs
- Adjusting debt repayments to reflect advancement on the repayment schedules

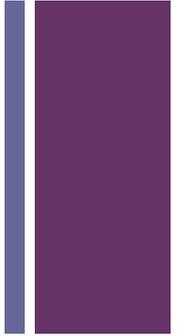


+ Major Categories of Spending in 2018-19 draft budget

Spending Category	Total Amount	% Change from 2017-18	\$ Change from 2018-19
General Support	\$2,523,000	1.6%	\$39,800
Instruction	\$12,562,000	3.0%	\$366,400
Transportation	\$983,000	1.8%	\$17,700
Employee Benefits	\$6,942,000	4.3%	\$283,300
Debt Service	\$1,624,000	- 4.0%	- \$67,600
Total Expenditures	\$24,759,000	2.4%	\$572,000



First Draft of Revenues 2018-19



The revenues of the school district come from two main sources:

1. The Tax Levy Limit for our district is 2.78% for 2018-19

We have used a 2% tax levy increase for the first draft of the budget (a 2.78% increase would yield an additional \$134,600 in revenue)

2. NY State Aid amount from the Governor's budget proposal (increase of \$51,000 or 0.8%)

We are now able to determine what revenues look like at this preliminary stage

+ Total Revenues 2018-19

- Tax Levy = \$17,575,000
- Total State Aid = \$6,296,000
- Misc. Revenues (Medicaid Reimbursement, Fees, Sale of Surplus Property, Interest) = \$380,000
- Fund Balance Applied = \$300,000 (same as 17-18 budget)
- Total Revenues = \$24,553,000





Revenues minus Expenditures



- Total Revenues = \$24,553,000
- Total Expenditures = \$24,759,000
- Budget Gap = \$206,000
- The budget gap is 0.8% of total budget
- The legislature usually increases state aid as compared to the governor's proposal (the governor's aid proposal includes less than 3% of the amount needed to fully fund our district's foundation aid), but given the fiscal climate in the state this year, a large increase in state aid is unlikely



Actual and Estimated Maximum Allowable Levies and Revenues



	2017-18	2018-19	2019-20	2020-21
Maximum Allowable Levy increase	2.3% (actual)	2.78% (actual)	3.14% (estimated)	2.98% (estimated)
Maximum Allowable Levy in dollars	\$17,297,603	\$17,710,046	\$18,128,238	\$18,461,541
Lost revenue per year from 2% increase	\$66,240	\$134,600	\$200,728	\$175,481

+ Increase in Revenue for Increments above 2% Levy increase for 18-19

Levy Increase	\$ Increase above 2%
2.25%	\$43,000
2.5%	\$86,000
2.78% (levy limit for 18-19)	\$134,600

+ Cumulative Effect of 2% Levy Increases

	2017-18	2018-19	2019-20	2020-21
2% Levy	\$17,231,363	\$17,575,990	\$17,927,510	\$18,286,060
Max. Levy	\$17,297,603	\$17,778,476	\$18,336,720	\$18,883,154
Cumulative loss by not going to the allowable levy	\$66,240	\$202,486	\$409,210	\$597,094

+ Potential Cuts for the 18-19 Budget

(recommended changes highlighted in red)

Potential Cut	Savings	Rationale/Drawbacks
Eliminate 1.0 Secretarial Position (retirement)	\$71,700	Eliminate a secretarial position in the business office – redistribute tasks
Eliminate 1.0 Teaching Assistant Position (retirement)	\$19,000	Student needs can be met with existing staff
Eliminate 0.4 MS/HS Dean of Students (retirement)	\$45,000	Reduces supervision and support of students at MS/HS
Eliminate full Distance Learning service for HS	\$58,000	Students lose access to elective courses offered on DL
Eliminate 1.0 Computer Teacher Position at ES (retirement)	\$89,300	Support for instructional technology is needed at ES
Total Possible Savings	\$206,000	Total Possible Savings

+ Potential Additions to the 18-19 Budget (recommended change highlighted in red)

Possible Addition	Cost	Rationale
0.4 MS Special Ed. Teacher (combined w TA position)	\$11,000	Provide required services
0.4 HS Math Teacher (combined w TA position)	\$11,000	Enhance program – remedial support, elective course
0.2 MS Social Studies Teacher	\$11,000	Full time MS Social Studies teacher
Chromebooks for 1:1 in 5 th and 7 th grades	\$20,000	Prepare students for technology use
0.6 MS/HS Business Teacher	\$59,000	Enhance Program – electives and CTE
0.6 HS Technology Teacher	\$59,000	Enhance Program - electives
Total Cost of All Potential Additions	\$171,000	



New Steps in the Budget Process



- The budget will be a discussion topic at each board meeting from February through April
- The Legislature is scheduled to pass the final budget by April 1 – final state aid figures will be known at that time
- There will be a special budget meeting on April 9 prior to the regular meeting to finalize the budget.
- Adoption of the budget by the board of education is anticipated to be at the April 9 regular meeting
- The voters will decide on the proposed budget on May 15