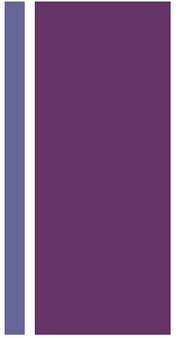


2019-20 Budget First Draft

February 11, 2019

+ 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 19-20 Employee Retirement System (ERS) and Teachers Retirement System (TRS) required contribution rates to payroll.
- Applying health insurance rate increases for all current positions – some health insurance rates are still estimates because we don't have final rates
- Estimating program spending changes based on special education needs, BOCES services, etc.
- Estimating Transportation and Operations needs
- Adjusting debt repayments to reflect advancement on the repayment schedules





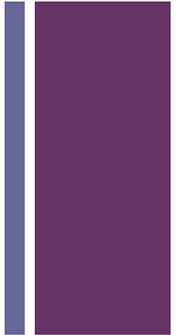
Changes in Budgeted Expenditures in the Draft Budget from January to April



- The TRS rate decrease was given to districts last week – this saved our district \$157,000.
- The TRS rate decrease dropped the budget gap from \$360,000 to \$203,000
- Still to come are these rates:
 - Final drug coverage and Empire plan rates
 - Final Workers Comp rates
 - Final BOCES Special Ed Programs tuition rates



Items already removed from the rollover budget



- 3 vacant Teaching Assistant positions have been eliminated during the current budget year. Savings = \$80,000
- Equipment, supplies, and misc. budget lines reduced by \$20,000
- Software budget lines reduced by \$10,000

+ Major Categories of Spending in 2019-20 draft budget

Spending Category	Total Amount	% Change from 2018-19	\$ Change from 2018-19
General Support	\$2,608,000	4.5%	\$112,600
Instruction	\$13,120,500	3.9%	\$492,700
Transportation	\$950,600	- 2.1%	- \$20,800
Employee Benefits	\$7,236,800	3.0%	\$204,200
Debt Service	\$1,556,700	- 4.2%	- \$67,400
Total Expenditures	\$25,439,800	2.9%	\$721,300



First Draft of Revenues 2019-20



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

1. The Tax Levy Limit for our district is 2.96% for 2019-20

We have used a 2% tax levy increase for the first draft of the budget (a 2.96% increase would yield an additional \$169,400 in revenue)

2. NY State Aid amount from the Governor's budget proposal (increase of \$105,000 or 1.7%)

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

+ Total Revenues 2018-19

- Tax Levy (2% increase) = \$18,015,400
- Total State Aid = \$6,437,000
- Misc. Revenues (Medicaid Reimbursement, Fees, Sale of Surplus Property, Interest) = \$483,600
- Fund Balance Applied = \$300,000 (same as 18-19 budget)
- Total Revenues = \$25,235,900





Revenues minus Expenditures



- Total Revenues = \$25,235,900
- Total Expenditures = \$25,439,800
- Budget Gap = \$203,900
- The budget gap is 0.8% of total budget
- (For reference, the budget gap for the 18-19 budget first draft was \$206,000)
- The legislature usually increases state aid as compared to the governor's proposal, 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)	2.96% (actual)	2.98% (estimated)
Maximum Allowable Levy in dollars	\$17,297,603	\$17,710,046	\$18,184,679	\$18,461,541
Lost revenue per year from 2% increase	\$66,240	\$134,600	\$169,369	\$184,038
Cumulative Lost Revenue	\$66,240	\$200,840	\$370,209	\$554,247

+ Increase in Revenue for Increments above 2% Levy increase for 19-20

Levy Increase	\$ Increase above 2%
2.25%	\$44,000
2.5%	\$88,000
2.96% (levy limit for 19-20)	\$169,400

+ Potential Reductions for the 19-20 Budget



Potential Reduction	Savings	Rationale
Eliminate HS 0.2 Math/0.8 TA position	\$40,800	A section of math can be consolidated so no courses will be lost
Reduce Family and Consumer Science Teacher to 0.7	\$31,300	Eliminate HS FACS – not required by regulations.
Reduce French Teacher to 0.8	\$13,300	Begin phasing out French; do not offer to 7 th graders for 19-20. Languages are available on Distance Learning. Another option – do not offer French 4 in 19-20.
Eliminate 1.0 Elementary Teacher	\$70,400	Projected enrollment could allow for reasonable class sizes despite reduction
Eliminate 0.4 Special Ed/0.6 TA Position	\$41,800	Position will be vacant in 19-20 and fewer students with special needs will be in 6 th grade next year
Eliminate the SRO program	\$65,000	The SRO was introduced as a pilot and may not be sustainable due to budget
Total Savings	\$262,600	Reduce budget gap



How to Eliminate Budget Gap



Existing Budget Gap = \$203,900

Potential reductions (total) = \$262,600

Tax increase to the levy limit = \$169,400

Any combination of tax levy increase above 2% along with reductions that total \$203,900 would eliminate the budget gap.

Any additional aid provided in the final state budget could be used to restore reductions and/or reduce the levy



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 should be known at that time
- There will be a special budget meeting on April 8 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 8 regular meeting
- The voters will decide on the proposed budget on May 21