



CLARENCE SCHOOL DISTRICT: 2017-18 BUDGET STUDY SESSION #4

April 17, 2017

Agenda for April 17th Presentation



- **Final NYS Budget**

- **Final 2017-18 Clarence Budget**
 - ▣ **Tax Levy & Rate Information**

 - ▣ **Five-Year Budget Projections**

Enacted NYS Budget Summary

Item	Enacted Budget 2017-18
Total Education Increase	\$1.1 Billion over the current year – increase of roughly \$140 million over the Governor’s Executive Budget
Foundation Aid Increase	\$700 million year over year increase - \$270 million more than Governor
Foundation Aid Formula	Foundation Aid Formula is preserved. Phasing-in and updating the Foundation Aid formula is the cornerstone to financial stability for school districts in the years ahead.
Charter Schools	Increases tuition reimbursement by \$500 per charter school student for 2017-18
Expense-Based Aids	Fully Funded at \$295 million
Other	<ul style="list-style-type: none">• No adjustments to the tax cap• No Education Tax Credit• Governor can propose mid-year budget adjustments & the Legislature gets 90 days to respond• \$50 million for Community Schools (from Foundation Aid)• \$18 million for My Brother’s Keeper initiative• \$35 million for after school programs

Assumptions: 2017-18

Revenue Assumptions

- ❑ **Sales Tax** increase of 2%
- ❑ **Local revenues** will remain flat (interest rates, PILOTS, and miscellaneous sources)
- ❑ **Appropriated Fund Balance** increase of \$500,0000
- ❑ **Tax Levy at the Cap Level of 1.74%**
- ❑ **NYS School Aid – increase of 2.66%** in Foundation Aid
- ❑ The potential for a **reduction in federal aid funds** is high

Expense Assumptions

- ❑ **Wages** are **up 3%** overall
- ❑ **Retirement system costs** are **down \$100,000**
- ❑ **Special education costs** are **up** about 2%
- ❑ **Debt Service** costed out as per schedule
- ❑ **Health care expenses** **up** by 5%
- ❑ All **other costs** (BOCES, utilities, supplies, equipment) **up 1%**

Three-Part Budget – 2017-18

<u>Administration</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>CHANGE</u>
District Office	\$1,883,616	\$1,934,910	\$51,294
Curriculum & Supervision	\$1,930,372	\$2,062,620	\$132,248
Liability & Property Insurance	\$797,440	\$809,700	\$12,260
Benefits	<u>\$1,111,852</u>	<u>\$1,199,350</u>	<u>\$87,498</u>
	\$5,723,280	\$6,006,580	\$283,300
<u>Capital</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>CHANGE</u>
Operation & Maintenance	\$4,932,216	\$5,128,690	\$196,474
Debt Service	\$7,771,064	\$7,702,480	-\$68,584
Benefits	<u>\$1,428,246</u>	<u>\$1,585,030</u>	<u>\$156,784</u>
	\$14,131,526	\$14,416,200	\$284,674

Three-Part Budget – 2017-18

<u>Instructional</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>CHANGE</u>
Regular Education	\$28,981,085	\$29,851,150	\$870,065
Special Programs	\$9,944,429	\$10,391,660	\$447,231
Transportation	\$3,887,672	\$3,968,130	\$80,458
Benefits	<u>\$15,445,108</u>	<u>\$15,575,520</u>	<u>\$130,412</u>
	\$58,258,294	\$59,786,460	\$1,528,166

Component Percentage	<u>2016-17</u>	<u>2017-18</u>
Administrative	7.5%	7.5%
Capital	18.2%	18.0%
Program	74.3%	74.5%

2017-18 Budget: Final

Budget Element	Cost Estimate
2016-17 Budget Total	\$78,113,100
2017-18 Tax Levy Increase (at the cap level of 1.74%)	\$790,000
2017-18 Other Revenue Increases: (State Aid, Sales Tax, Medicaid, Interest, Appropriated Reserves & Appropriated Fund Balance)	\$1,307,140
2017-18 Budget Total	\$80,209,240

5-Year Projections Revenue

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Sales Tax	\$5,300,000	\$5,400,000	\$5,508,000	\$5,618,160	\$5,730,523	\$5,845,134
Local Revenues	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000
Fund Balance	\$1,200,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Tax Levy	\$45,286,097	\$46,074,075	\$47,456,297	\$48,879,986	\$50,346,386	\$51,856,777
NYS AID	<u>\$24,896,003</u>	<u>\$25,604,165</u>	<u>\$26,372,290</u>	<u>\$27,163,459</u>	<u>\$27,978,362</u>	<u>\$28,817,713</u>
TOTAL	\$78,113,100	\$80,209,240	\$82,467,587	\$84,792,605	\$87,186,271	\$89,650,624

Sales Tax: Shows a \$100k increase for 17-18, then a 2% increase annually

Local Revenues: Anticipated to remain flat – no increases

Tax Levy: Anticipated to rise by 3% annually (includes anticipated exemptions)

Appropriated Fund Balance: Increased for 17-18 as a balancing tool

State Aid: Anticipated increase is based on historical increases and the current political environment

NOTE: Fund balance and Debt Reserve may be needed until 2022 to balance budget

5-Year Projections Expenses

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Non-Intr Wages	\$9,472,166	\$9,755,140	\$10,047,794	\$10,349,228	\$10,659,705	\$10,979,496
Instr. Wages	\$29,835,526	\$30,829,010	\$31,753,880	\$32,706,497	\$33,687,692	\$34,698,322
Supplies	\$1,391,282	\$1,427,790	\$1,456,346	\$1,485,473	\$1,515,182	\$1,545,486
Contractual	\$7,551,475	\$7,899,110	\$8,057,092	\$8,218,234	\$8,382,599	\$8,550,251
Eq.	\$286,253	\$290,100	\$290,100	\$290,100	\$290,100	\$290,100
BOCES	\$3,821,128	\$3,945,710	\$4,064,081	\$4,186,004	\$4,311,584	\$4,440,931
Benefits	\$17,984,206	\$18,359,900	\$19,094,296	\$19,858,068	\$20,652,391	\$21,478,486
Debt Service	<u>\$7,771,064</u>	<u>\$7,702,480</u>	<u>\$8,000,000</u>	<u>\$8,000,000</u>	<u>\$8,000,000</u>	<u>\$8,000,000</u>
TOTAL	\$78,113,100	\$80,209,240	\$82,763,590	\$85,093,603	\$87,499,252	\$89,983,072

Wages: Anticipated to rise 3% annually. Projected retirements are built in.

Benefits: Anticipated to rise 4% annually. Benefits are dependent on wage increases, the retirement systems are stabilizing. Health insurance costs projected at 5% annually.

Contractual & Supplies: Anticipated to rise by 2% annually

BOCES & Special Ed.: Anticipated 3% increase due to service increases

Debt Service: Estimate increase for 18-19 school year due to bonding our capital project, then stabilizing

Clarence CSD Budget Notice – 2017-18

	Budget Adopted for 2016-17	Budget Adopted for 2017-18	Contingency Budget for 2017-18
Total Budgeted Amount, Not Including Separate Propositions	\$78,113,100	\$80,209,240	\$79,421,262
Increase/Decrease for 2017-18		\$2,096,140	\$1,308,162
Percentage Increase/Decrease in Proposed Budget		2.68%	1.67%
Change in the Consumer Price Index		1.26%	
Total Proposed School Year Tax Levy	\$45,286,097	\$46,074,075	\$45,286,097
Total Permissible Exclusions	\$2,663,007	\$2,272,479	
A: Proposed School Year Tax Levy, Not Including Levy for Permissible Exclusions	\$42,775,866	\$43,803,782	
B. School Tax Levy Limit, Not Including Levy for Permissible Exclusions	\$42,623,090	\$434,801,596	
Difference: A-B	\$152,776	\$2,186	
Administrative Component	\$5,844,324	\$6,006,580	\$5,947,572
Program Component	\$58,025,701	\$59,786,460	\$59,199,115
Capital Component	\$14,243,075	\$14,416,200	\$14,274,575

Clarence CSD Property Tax Report Card – 2017-18

	Budgeted for 2016-17	Proposed Budget for 2017-18	Percent Change
Total Budgeted Amount, Not Including Separate Propositions	\$78,113,100	\$80,209,240	2.68%
A. Proposed Tax Levy To Support Total Budgeted Amount ¹	\$45,286,097	\$46,074,075	\$1,308,162
B. Tax Levy to Support Library Debt, If Applicable	N/A	N/A	
C. Tax Levy for Non-Excludable Propositions, if Applicable ²	N/A	N/A	
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy, If Applicable	N/A	N/A	
E. Total Proposed School Year Tax Levy (A + B + C + D)	\$45,286,097	\$46,074,075	1.74%
F. Permissible Exclusions to the School Tax Levy Limit	\$2,663,007	\$2,272,479	
G. School Tax Levy Limit, Excluding Levy for Permissible Exclusions ³	\$42,775,886	\$43,803,782	
H. Total Proposed School Year Tax Levy, Excluding Levy to Support Library Debt and/or Permissible Exclusions (E - B - F + D)	\$42,623,090	\$43,801,596	
I. Difference (G - H) negative value requires 60% voter approval	\$152,776	\$2,186	
Public School Enrollment	\$4,461	\$4,381	-1.79%
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 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	Estimated 2017-18
Adjusted Reserve Fund Balance	\$1,435,293	\$1,795,293
Assigned Appropriated Fund Balance	\$1,200,000	\$1,700,000
Adjusted Unrestricted Fund Balance	\$3,824,569	\$3,424,569
Adjusted Unrestricted Fund Balance as a Percent of the Total Budget	4.90%	4.30%

Estimated Tax Increase on Clarence Homes

2017-18 Property Tax Estimates – At the Estimated Capped Tax Levy			
Estimated Tax Rate: \$14.67 per thousand			
Assessed Value of Home	\$100,000	\$200,000	\$300,000
Annual Property Tax Increase at the Capped Levy Amount	\$14	\$28	\$42
Monthly Property Tax Increase at the Capped Levy Amount	\$1.17	\$2.33	\$3.50

The real dollar increase will likely be lower once re-assessments and total growth of assessments are figured in tax rate.

Public Budget Vote

- **May 16, 2017**
- **7:00 am – 9:00 pm**
- **Propositions**
 - ▣ #1 – 2017-18 Budget
 - ▣ #2 – Bus Purchase
- **Board of Education Seats (3 open)**
 - ▣ Tricia Andrews
 - ▣ Matt Stock
 - ▣ Dawn Snyder

2017 Budget Development Sessions

□ **Special Budget Study Workshops**

- January 30, 2017

- February 27, 2017

- March 27, 2017

□ **Regular Board Meetings**

- February 13, 2017 (Clarence Center)

- March 13, 2017 (CHS)

- April 17, 2017 (CHS – Budget Adoption)

- May 8, 2017 (Budget Public Hearing)

- May 16, 2017 (Public Budget Vote)