



SUPERINTENDENT'S BUDGET

2017-2018



BLIND BROOK-RYE UFSD

February 13, 2017



Tonight's Three-Part Presentation

Part 1 Budget Context

Part 2 2017-2018 Supt's Proposed Budget

Part 3 Call for Advocacy

Part 1

Budget Context



BUDGET PLANNING AND DEVELOPMENT

“Budget planning and development for the District will be an integral part of program planning so that the annual operating budget may effectively express and implement programs and activities of the School System...”



Revenues Drive Expenditures

In developing budgets during the past eight years the availability of revenues has determined the annual level of proposed spending.

This continues with development of the 2017-2018 budget.



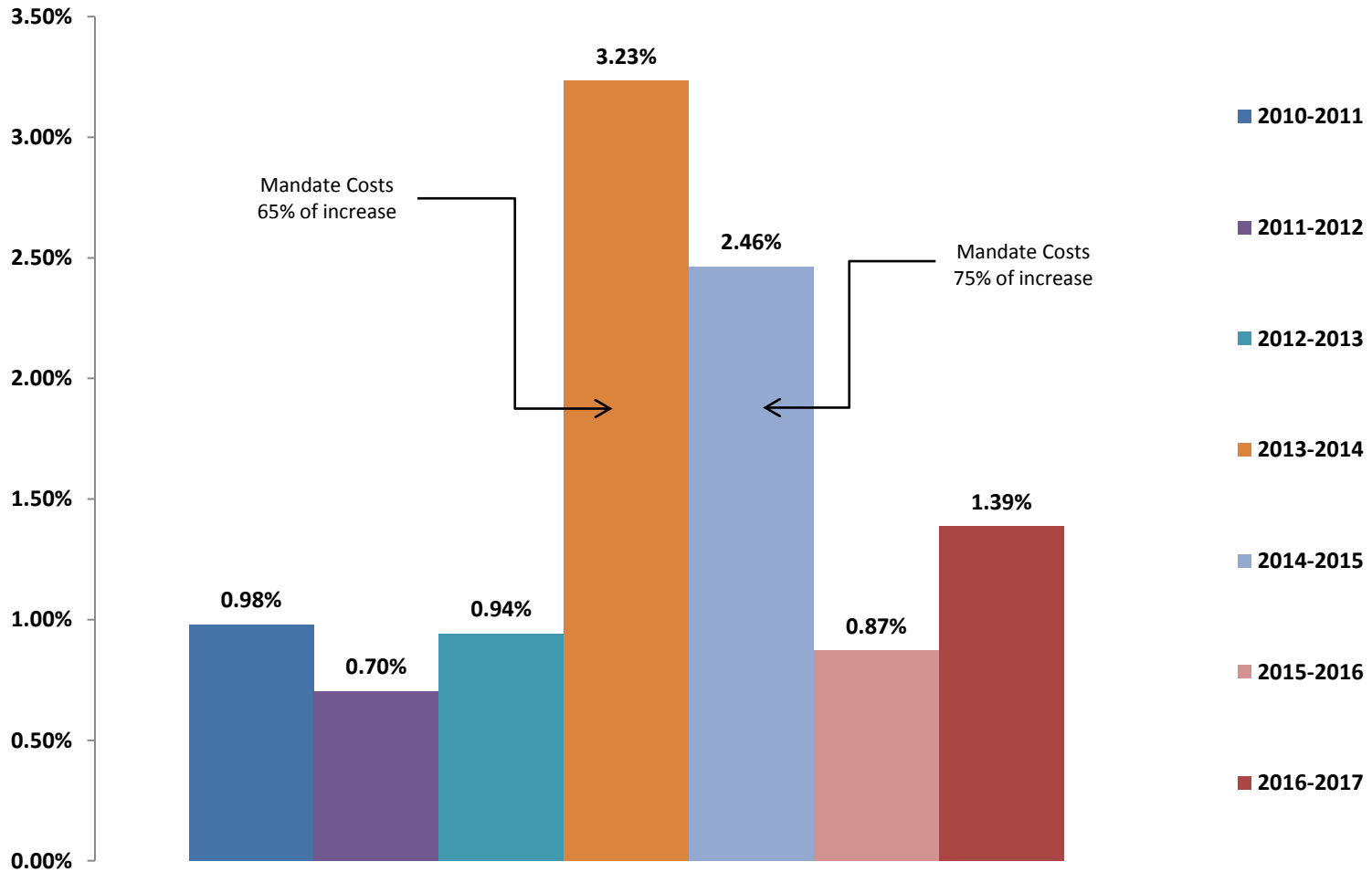
Sustainability of Public Education

We are operating in a very challenging era. The realities of the tax levy cap, limited state aid and no real mandate relief are suppressing both budget and levy growth – this has become the **“new normal.”**

The demands on public school systems will need to change to ensure sustainability. Laws will need to be revised or repealed and regulations amended to facilitate this.

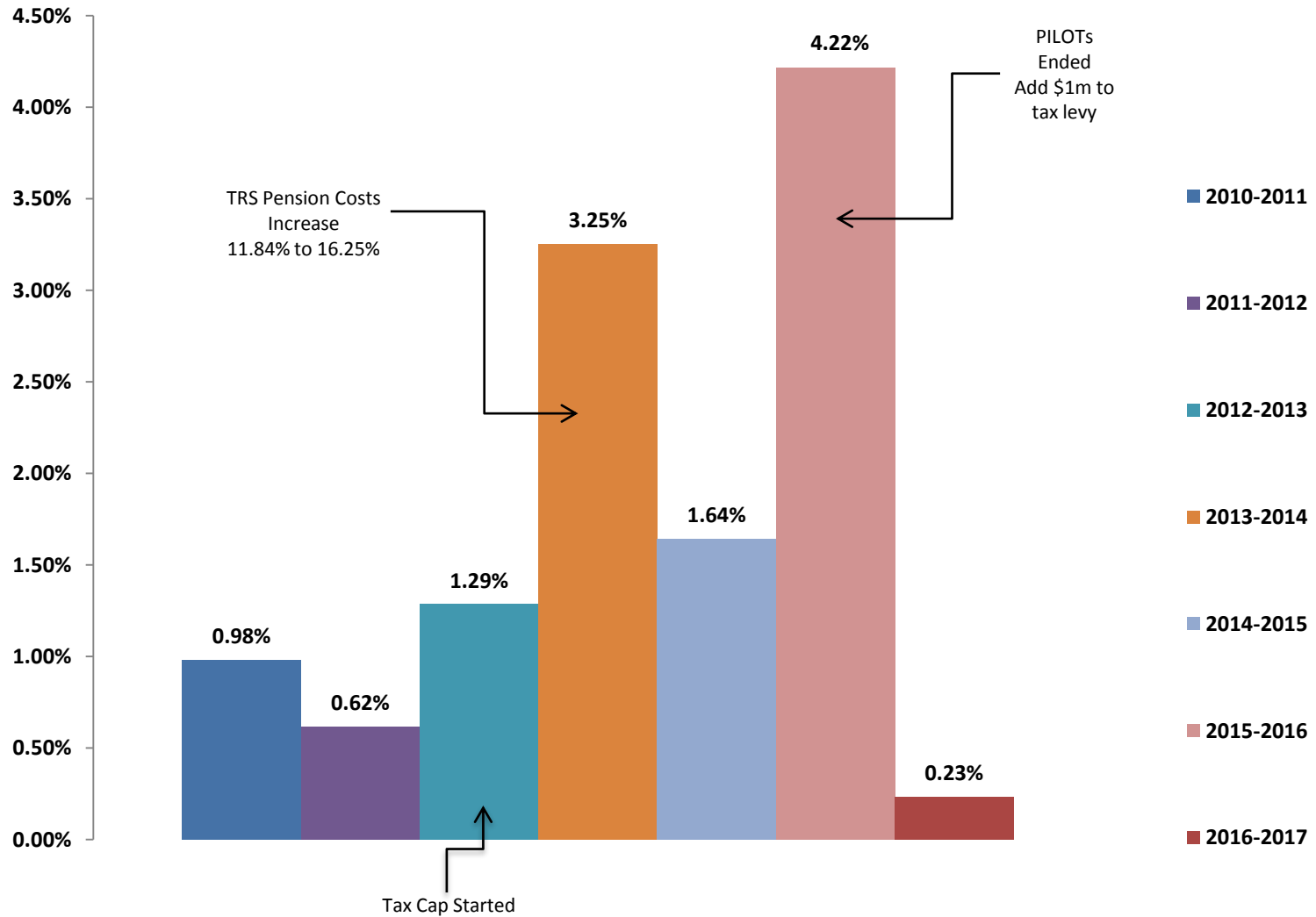


Spending Increases over the past 7 years





Tax Levy Increases over the past 7 years





The *Reality* of the NYS Tax Levy Cap

**The 2% tax cap is not
really a 2% tax cap**

The Tax Levy Cap limits increases in school taxes to 2% a year, OR the rate of inflation, whichever is less.



Annual Impact of the Tax Levy Cap Law

School Year	CPI Factor Used	2% Tax Levy Assumed	Actual Tax Levy Allowed	\$ Difference from 2% Cap
2012-2013	1.02	\$34,264,549	\$34,264,549	\$0
2013-2014	1.02	\$35,217,646	\$35,217,646	\$0
2014-2015	1.0146	\$35,978,808	\$35,791,799	\$187,009
2015-2016	1.0162	\$37,432,550	\$37,299,041	\$133,509
2016-2017	1.0012	\$38,058,946	\$37,386,170	\$672,776
2017-2018	1.0126	\$38,141,279	\$37,875,658	\$265,621

\$1,258,915 lost without a fixed 2% tax levy cap



The *Current* Tax Cap Reality

**2016 CPI Factor at 1.0126
and
Tax Base Growth Factor of 1.0023**

The Blind Brook School District must cut 2017-2018 expenditures by \$518K to get under the maximum allowable tax levy limit. The permitted rate of levy growth is only 1.31% for 2017-2018.



2017-2018 Tax Levy Cap Calculation

Prior year tax levy (in 2016-2017)	\$37,386,170
Tax base growth factor (from NYSDTF Website)	x <u>1.0023</u>
	37,472,158
Prior year PILOTs (actual)	+ <u>0</u>
	37,472,158
Prior year exemptions (2016-17 debt service less building/trans aid only)	- 1,577,533
Adjusted Prior Year Levy	= \$35,894,625
Allowable Growth Factor (lesser of CPI or 2%)	x <u>1.0126</u>
	36,346,897
PILOTs for coming year (N/A)	- <u>0</u>
	= \$36,346,897
Available Carryover (None Permitted)	+ <u>0</u>
Tax Levy Limit	= \$36,346,897
New year exemptions (2017-18 debt service less building aid and trans aid)	+ \$1,528,761
Maximum Allowable Tax Levy (in 2017-2018)	\$37,875,658



Net 2017-2018 Tax Levy Cap Increase

Maximum Allowable Tax Levy	\$37,875,658
Prior year tax levy <small>(in 2016-2017)</small>	\$37,386,170
Net Increase to Stay at Cap	\$489,488



Part 2

Superintendent's Budget

2017-2018



Superintendent's Proposed Budget

The Superintendent's 2017-2018 Budget presented tonight is *not* the final budget that goes to resident voters in May.

Changes to this budget *will likely* occur as new information from Albany and community discussions may permit.

There will be nearly two months of presentations and discussion before the Board of Education adopts a final budget for voter consideration.



Superintendent's Proposed Budget

Goals

1. Maintain core instructional programs and activities consistent with School Board Policy 5110
2. Propose a budget that results in a tax levy at or below the cap



Budgeting Assumptions

1. Consider implications of Board's educational goals
2. Stay at or below the 2017-2018 tax levy cap increase of \$489,488
3. District enrollment will drop by 3.9% in 2017-2018
4. Contractual/legal salary obligations to district personnel
5. Higher than expected increases in health insurance costs
6. Use of \$1.6 million from reserves to reduce tax burden
7. No relief with respect to unfunded and underfunded mandates



Projected Enrollment

GRADES	2016-2017 ACTUAL ENROLLMENT	2017-2018 PROJECTED ENROLLMENT	INCREASE or DECREASE # STUDENTS
K-5	653	626	-27
6-8	342	320	-22
9-12	503	495	-8
TOTAL	1,498	1,441	-57



Projected Class Size

Subject to change before 8/15/17

GRADE	2016-2017 ENROLLMENT	2016-2017 SECTIONS	2016-2017 AVG CLASS SIZE	2017-2018 ENROLLMENT	2017-2018 SECTIONS	2017-2018 AVG CLASS SIZE
K	107	5	21-22	80	4	20
1	113	5	22-23	107	5	21-22
2	113	5	22-23	113	5	22-23
3	101	5	20-21	113	5	22-23
4	112	5	22-23	101	5	20
5	107	5	20-21	112	5	22-23
6	123	6	20-21	103	5	20-21
7	96	5	19-20	122	6	20-21
8	123	6	20-21	95	5	19
9	130	6	21-22	121	6	19-20
10	123	6	20-21	128	6	21
11	122	6	20-21	121	6	20
12	128	6	21-22	125	6	20-21



Total District Staffing

Staffing	2014-2015	2015-2016	2016-2017 <small>As of 2/1/17</small>
Instructional	149	152	153
Non-Instructional	55	53	52
Administrative	11	10	11
Supervisory/ Confidential	3	3	3
Part-time	64	61	60
Total Employees	282	279	279

2017-2018 staffing levels are currently being studied



Superintendent's Proposed Budget Increase

1.57%



Superintendent's Proposed Tax Levy Increase

1.31%



Budget Analysis – Rollover to Proposed

2017-2018 Expenditures

Rollover: \$44,433,501

Proposed: \$43,915,067

Net Reduction: (\$518,434)



Expenditure Reductions from Rollover Budget

Personnel	\$268,434
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Contractual & Equipment	\$225,000
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Operations & Maintenance	\$25,000
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Total Reductions	\$518,434
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Superintendent's 2017-2018 Budget

Proposed Expenditures

\$43,915,067

% Expenditure Increase

1.57%

Proposed Tax Levy

\$37,875,647

% Tax Levy Increase

1.31%



Composition of Proposed 2017-2018 Budget

Revenues

Real Property Taxes	86.3%
State Aid	6.7%
Use of Fund Balance	3.6%
Other (Non property tax revenues)	3.4%

Expenditures

Salaries	56.6%
Benefits	22.3%
Debt Service	5.5%
Supplies, materials, equipment, contractual services, BOCES	15.6%



Budget Summation

In sum, the 2017-2018 Superintendent's Budget:

- ✓ Maintains the District's core educational programs
- ✓ Results in a projected tax levy increase **BELOW** the tax cap limit
- ✓ This budget would need approval by a simple majority of resident voters in May

Part 3

Call for Advocacy

Ongoing Challenge #1

Tax Levy Cap

The [NYS Property Tax Levy Cap Legislation](#) has reduced budget and tax levy growth for the past 5 years. It came with the promise that the number of unfunded mandates would also be reduced. Not only has meaningful mandate relief **not happened**....Blind Brook has not seen an appreciable increase state aid during this period.

Need: The tax levy cap legislation needs to be **REVISED** to allow for:

- ✓ A true 2% increase and this increase should be on expenditures, not the tax levy
- ✓ The supermajority approval (60%+) of a budget that exceeds the cap needs to be modified to require a simple majority for approval (50%+)

Tax Levy Cap needs Revision

Ongoing Challenge #2

Inadequate State Aid to Public Schools

Blind Brook does not receive much state aid. It has historically received only 6% to 7% of its total budget from Albany.

Need: A formula that provides the District with its full phase-in foundation aid allocation. Blind Brook is under-funded by nearly \$1.1 million based on the Governor's budget.

Blind Brook needs additional State Aid

Ongoing Challenge #3

Mandate Relief

New York State requires public schools to do many things. Many of these requirements are well intentioned but they often come with no state money, requiring local taxpayers to pay the costs. While mandate relief was supposed to be part of the property tax cap law, there has been little meaningful relief to school districts.

Need: Providing mandate relief, or at least creating no new unfunded mandates, would provide schools with the flexibility they need to reduce costs.

Blind Brook needs Mandate Relief

Advocate for Change

Communicate with Elected Officials

New York State legislators and the Governor need to listen to their constituencies. Please contact your local state assemblyman and senator along with the Governor and ask them to address the inequities that public school districts face in these three areas:

Revise the tax levy cap legislation

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Provide school districts with additional state aid

+

Provide the “promised” mandate relief

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Fairness for All Public Schools in NYS



Upcoming Budget Discussion Dates

March 4, 2017	Saturday Public Budget Discussion
March 6, 2017	Public Budget Discussion
March 20, 2017	Public Budget Discussion
April 3, 2017	Public Budget Discussion
April 17, 2017	BOE Candidate Petitions due by 4:00 PM
April 18, 2017	Board Adoption of 2017-2018 Budget BOCES 2017-2018 Budget & Board Member Vote
May 8, 2017	Public Budget Hearing
May 16, 2017	2017-2018 Budget Vote & Board Member Election

Board & Community Discussion

