

# BRIGHTON CENTRAL SCHOOL DISTRICT

## Budget Discussion 2018-19



Presented to the  
Board of Education  
January 23, 2018

# Budget Development Process



# Key Budget Guidelines

- Ensure recurring operating expenses are appropriately funded with sustaining revenue sources.
- Support educational programs and services vital to successful implementation of the District mission, vision, and priorities as outlined in the Brighton Blue Print accepted by the Board of Education at its meeting on August 15, 2017:
  - Safety, security, and wellness
  - Rigorous coursework for all students
  - Early childhood programming
  - Instructional technology
  - Ongoing systems focused on growth
- Evaluate the resource requirements that provide all students with every opportunity to graduate from Brighton with the skills necessary to move on to college or a career and to develop their talents to their maximum potential.
- Considering the economic climate and changing student needs, the Board of Education continues to recognize the importance of prioritizing resources and evaluating opportunities for reduction/consolidation. The Board of Education will determine this amount upon review of the projected 2018-19 budget. All potential budget reductions/consolidations will require an academic impact analysis.
- Continue to implement strategies that meet our long-term goals for facilities modernization, the implementation of a full-day kindergarten program, and strategic infusion of instructional hardware.
- Understand the impact of the property tax cap on long-term financial planning.

**Adopted September 12, 2017**



# 2017-18 Budget Development Calendar

Completion Date	Activity
September 12, 2017	Budget guidelines and calendar approved by BOE
January 23, 2018	Preliminary budget review
March 1, 2018	Property tax cap calculations due to NYS Comptroller
March 6, 2018	Community Budget Forum
March 13, 2018	Budget development update
March 15, 2018	Community Budget Forum
March 20, 2018	Executive Budget Proposal
March 27, 2018	Board of Education feedback on Executive Budget Proposal
April 10, 2018	Adoption of 2018-19 Budget and Property Tax Report Card
May 8, 2018	Annual Budget Hearing
May 15, 2018	Annual Meeting and Budget vote

## **Known Budget Factors**

- Increased staffing demands due to enrollment, emerging student needs, and changing standards/regulations
- Contractual labor increases and changes to minimum wage
- Increase in health insurance rates due to premium increase and increased number of participants
- Pension contribution rates beginning to increase
- Multi-year impact of capital project and implementation of Full-Day K.
- Allowable tax levy growth at 2%

# Budget Factors

## **Factors to be Assessed**

- Changes in mandated student services/education plans
- Student elective demands
- Changes in State and Federal Aids
  - New York State deficit
  - Proposed cap on reimbursable aids
  - Changes in federal funding
- Impact of federal tax reform

# Property Tax Cap Projections

## NY- Tax Cap Standard Calculator

Tax Levy Limit Before Adjustments and Exclusions	2018	2019	2020	2021	2022	2023
Prior FYE Tax Levy	\$50,140,527	\$51,069,907	\$52,212,505	\$54,861,108	\$57,370,658	\$57,533,211
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	1.0040	1.0023	1.0020	1.0020	1.0030	1.0010
	2018	2019	2020	2021	2022	2023
PILOTS Receivable from Prior FYE	\$387,917	\$305,284	\$310,000	\$315,000	\$320,000	\$325,000
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Prior FYE	\$0	\$0	\$0	\$1,496,639	\$2,825,683	\$1,720,392
Allowable Growth Factor	1.0126	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTS Receivable for Current FYE	\$305,284	\$310,000	\$315,000	\$320,000	\$325,000	\$330,000
Available Carryover from Prior FYE	\$7,000	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LEVY LIMIT BEFORE ADJUSTMENTS/EXCLUSIONS</b>	<b>\$51,069,908</b>	<b>\$52,212,505</b>	<b>\$53,364,469</b>	<b>\$54,544,975</b>	<b>\$55,812,829</b>	<b>\$56,989,259</b>
Exclusions	2018	2019	2020	2021	2022	2023
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current FYE	\$0	\$0	\$1,496,639	\$2,825,683	\$1,720,392	\$1,866,695
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXCLUSIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,496,639</b>	<b>\$2,825,683</b>	<b>\$1,720,392</b>	<b>\$1,866,695</b>
<b>TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS</b>	<b>\$51,069,908</b>	<b>\$52,212,505</b>	<b>\$54,861,108</b>	<b>\$57,370,658</b>	<b>\$57,533,221</b>	<b>\$58,855,954</b>
	2018	2019	2020	2021	2022	2023
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0	\$0	\$0	\$0
Current FYE Proposed Levy, Net of Reserve	\$51,069,907	\$52,212,505	\$54,861,108	\$57,370,658	\$57,533,211	\$58,855,954
<b>DIFFERENCE BETWEEN TAX LEVY LIMIT PLUS EXCLUSIONS AND PROPOSED LEVY</b>	<b>\$1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$0</b>
Current FYE Proposed Levy, Net of Reserve %	1.85%	2.24%	5.07%	4.57%	0.28%	2.30%
<b>TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS %</b>	<b>1.85%</b>	<b>2.24%</b>	<b>5.07%</b>	<b>4.57%</b>	<b>0.28%</b>	<b>2.30%</b>

# Property Tax Relief Credit

Beginning this year and extending through 2019, a new property tax relief credit will provide direct relief to qualifying New York State homeowners.

To qualify, homeowners must:

- 1) **live in a school district that is complying with the New York State property tax cap**
- 2) receive either the Basic or Enhanced STAR property tax relief, and
- 3) have an income of \$275,000 or less.

Beginning in 2017, the property tax relief credit has been a percentage of a homeowner's STAR benefit, with lower incomes receiving a higher percentage benefit.

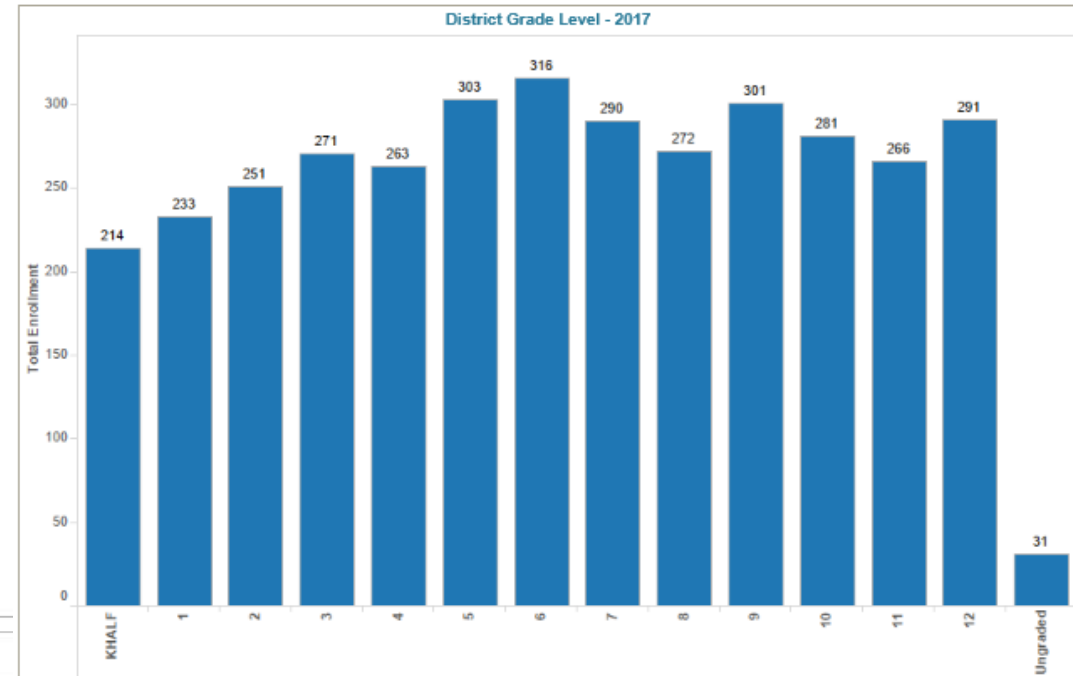
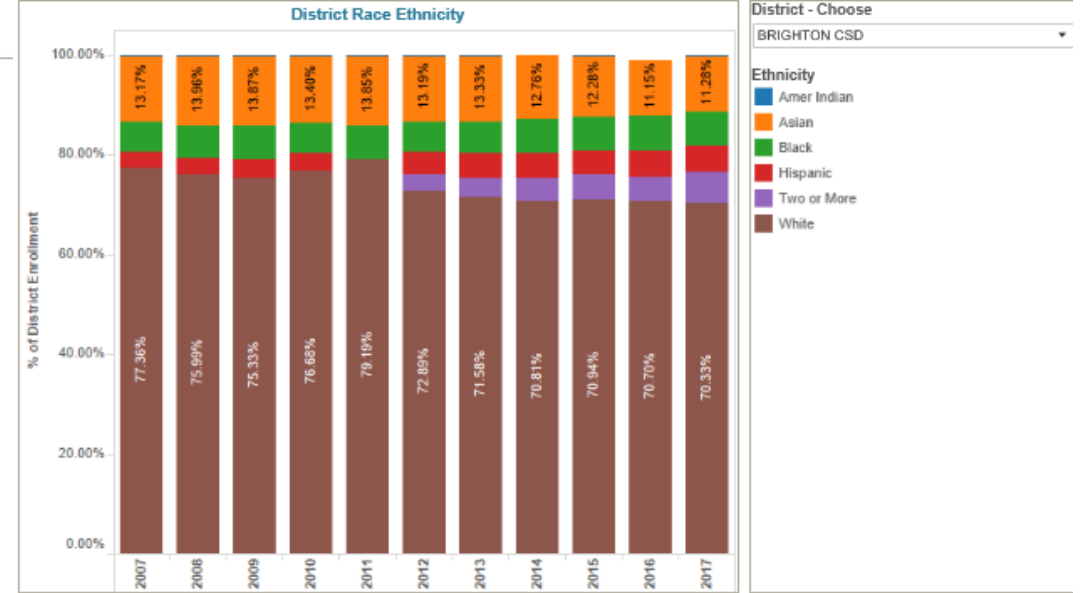
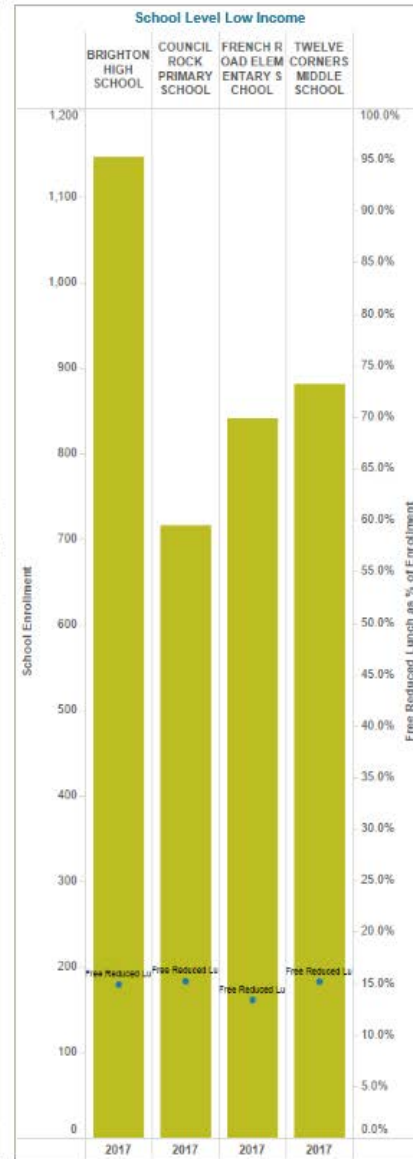
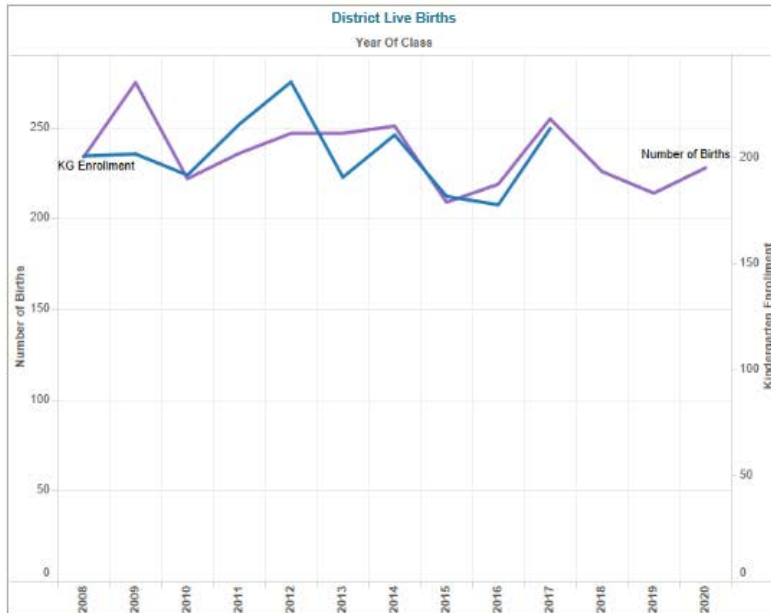
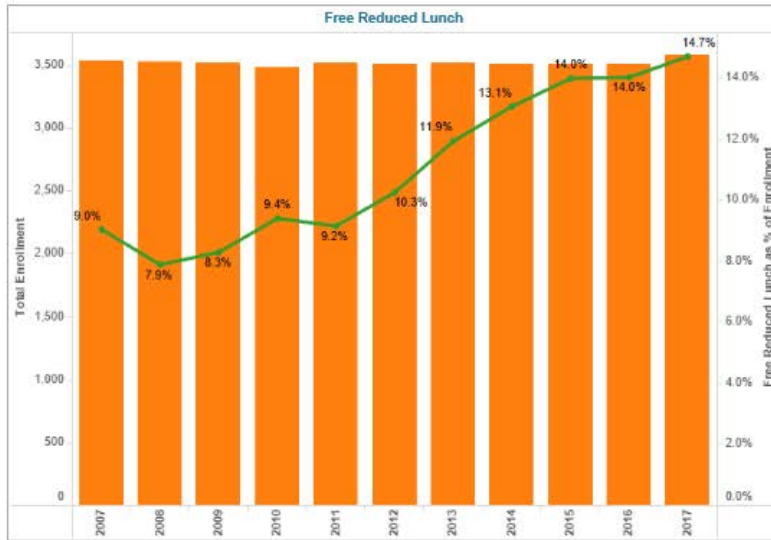
- The credit will be fully phased in as of 2019.



# Enrollment Dashboard

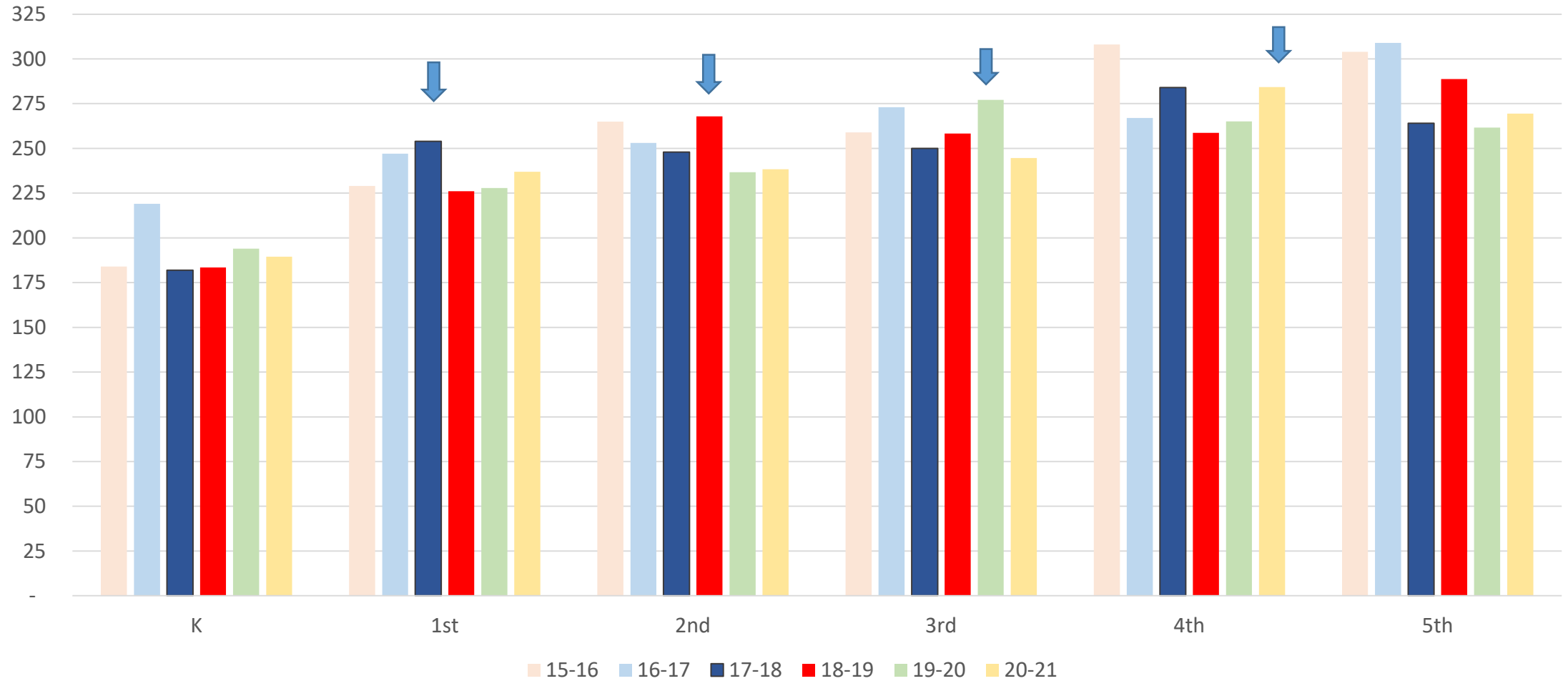
District: BRIGHTON CSD

Source: NYSED School Enrollment Data





# Enrollment - K-5 Trends and Forecast



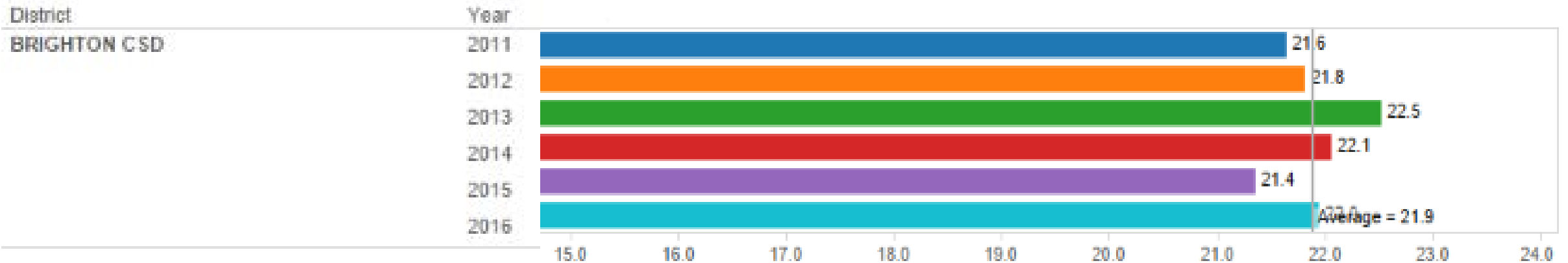
# Elementary Class Size

ADJUSTMENTS TO CLASS SIZE							2018-19	
	2017-18			2018-19			Analysis	
Teaching (PreK - 5)	F.T.E.	Enroll	Ratio	F.T.E.	Enroll	Ratio	+1 tchr	-1 tchr
Kindergarten AM	6.00	85	14.2	6.00	92	15.3	13.14	18.40
Kindergarten PM	6.00	91	15.2	6.00	92	15.3	13.14	18.40
Grade 1	12.00	254	21.2	<b>11.00</b>	226	20.6	18.84	22.61
Grade 2	11.00	248	22.5	<b>12.00</b>	268	22.3	20.61	24.36
Grade 3	12.00	250	20.8	<b>12.00</b>	258	21.5	19.87	23.49
Grade 4	13.00	284	21.8	12.00	259	21.6	19.90	23.52
Grade 5	13.00	264	20.3	13.00	289	22.2	20.62	24.06
<b>Total General Ed. Teachers</b>	<b>67.00</b>	<b>1,476</b>		<b>66.00</b>	<b>1,484</b>			

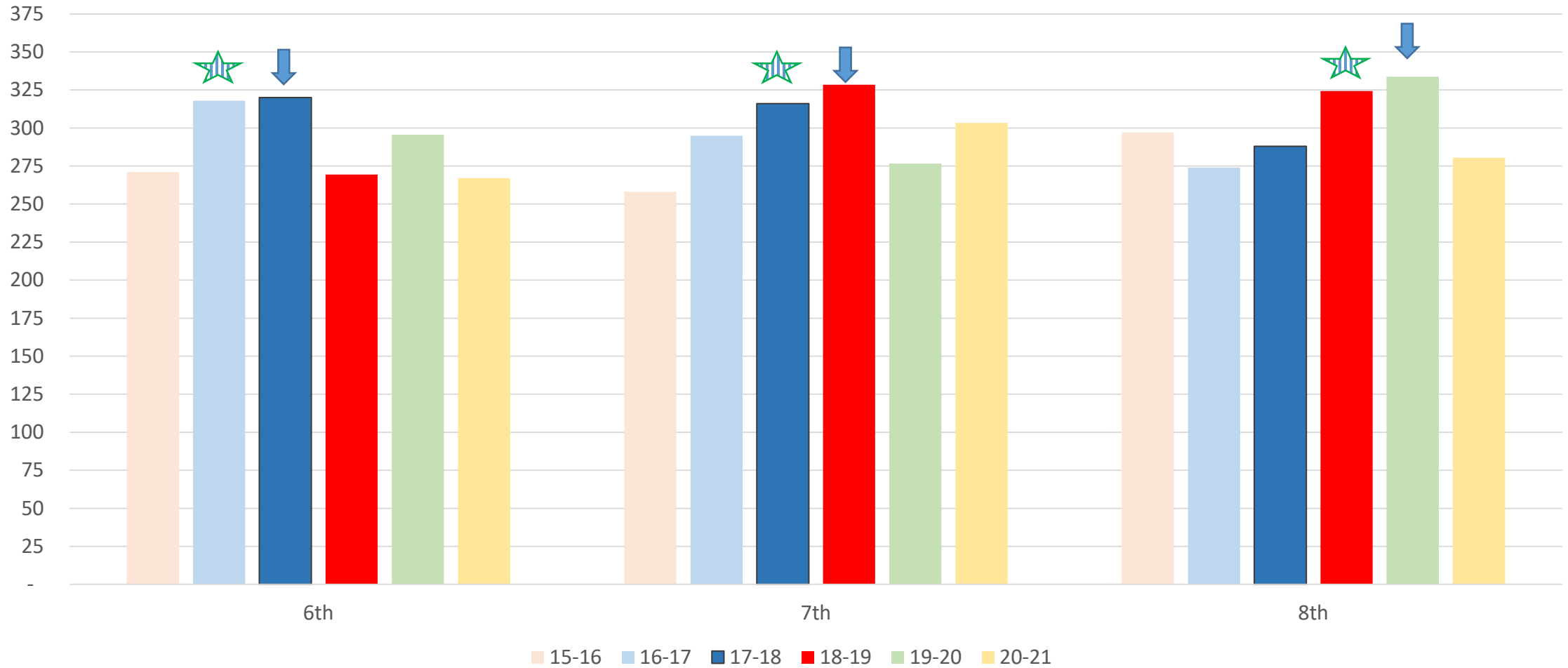
Note: Model is based on 2018-19 Enrollment Projections.

# Average Trends in Class Size

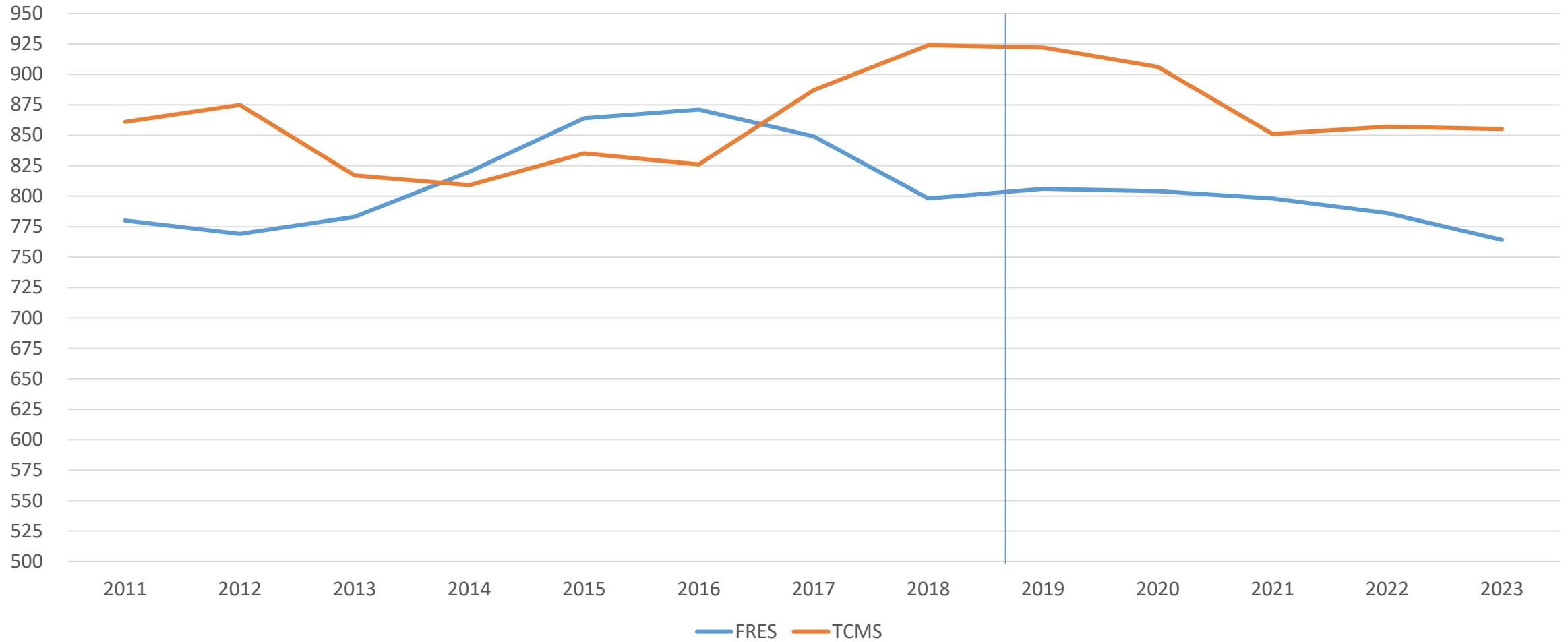
**Average Class Size**  
Class Name: COMMON BRANCH-GRADES 1-8, Grade Level: N/A  
Year(s): 2011, 2012, 2013 and 3 more  
Source: NYSED Personnel Master File (PMF)



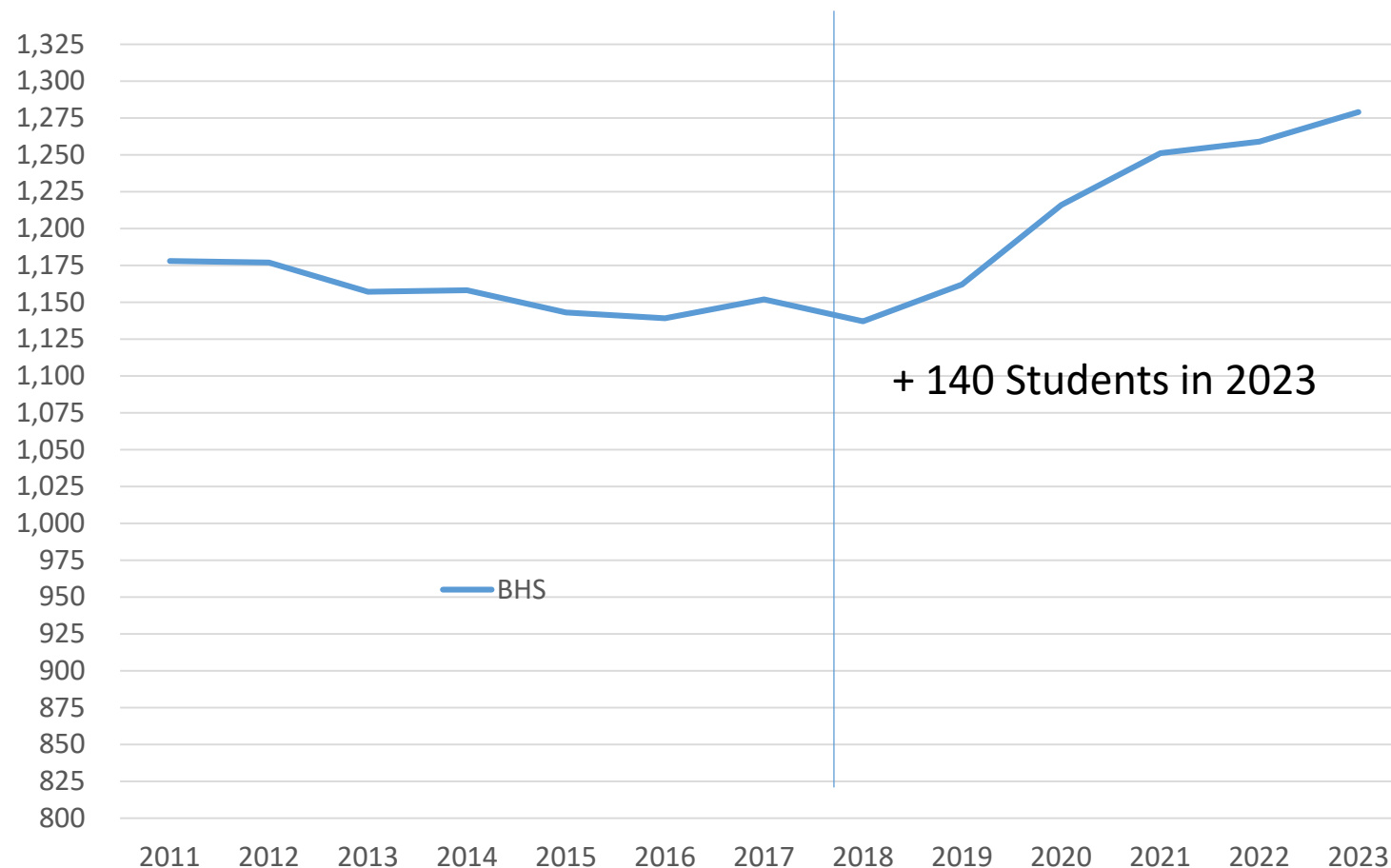
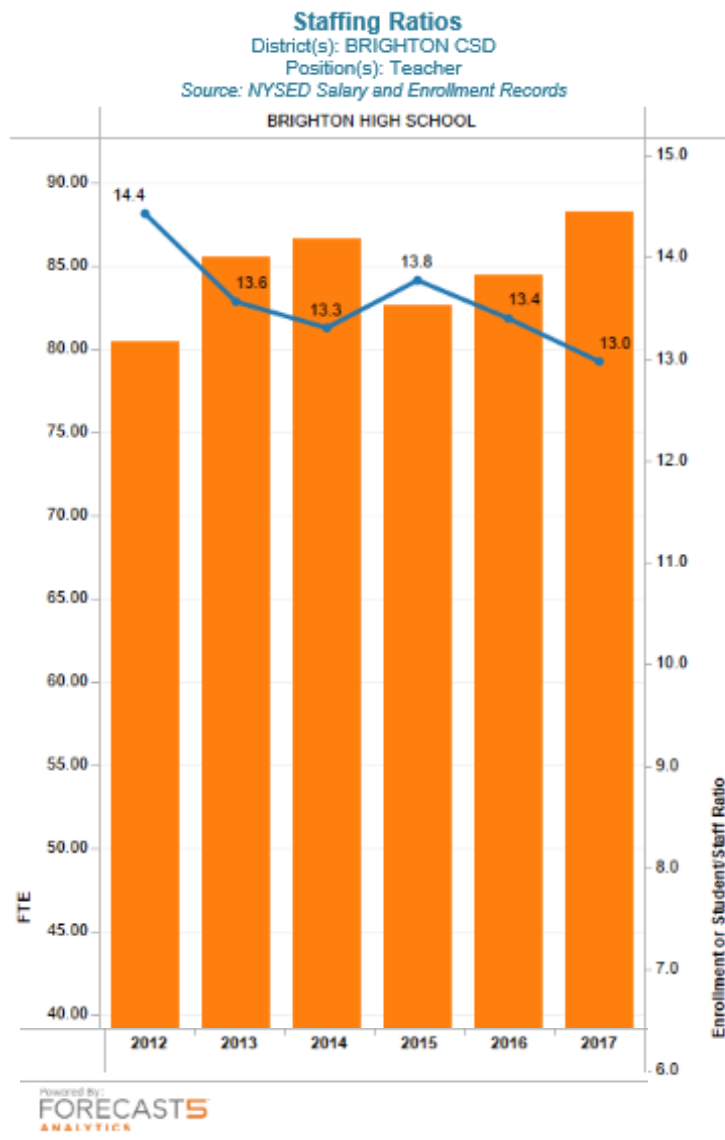
# 6-8 Trends and Forecast



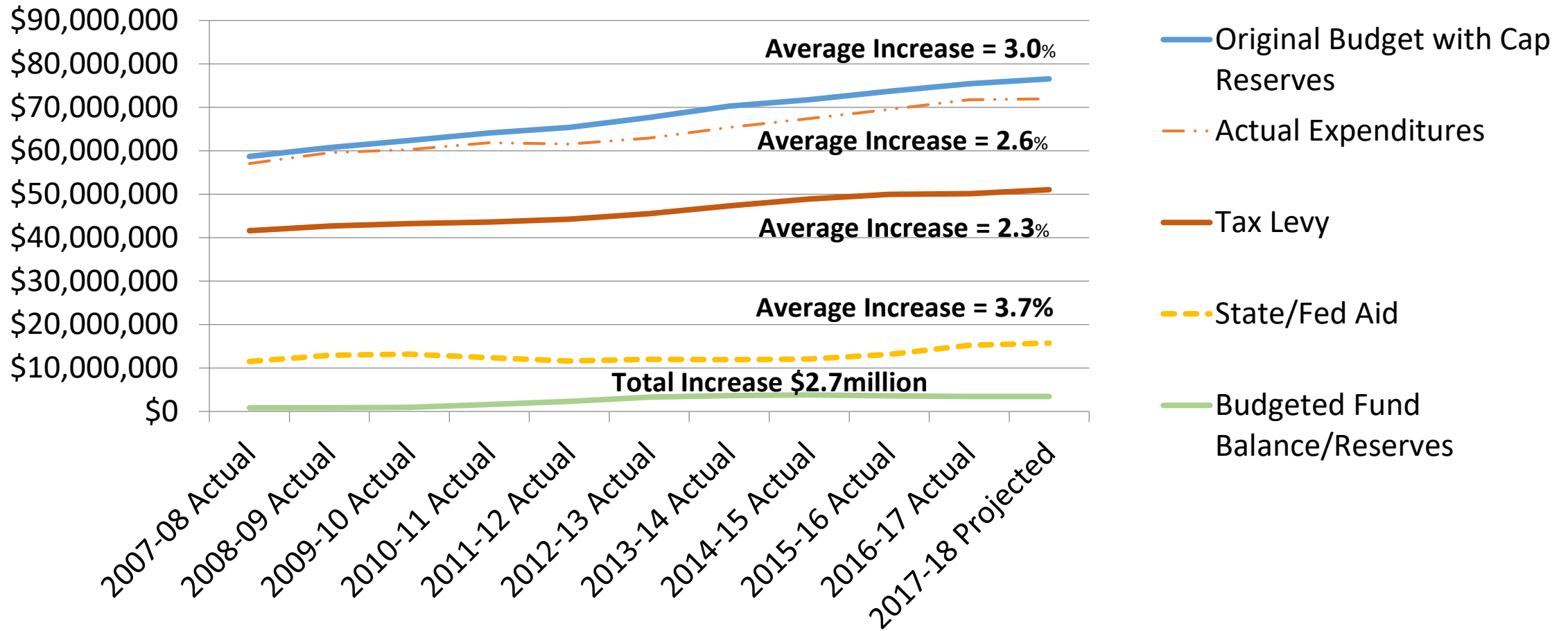
# TCMS and FRES Enrollments



# BHS Enrollment and Staffing

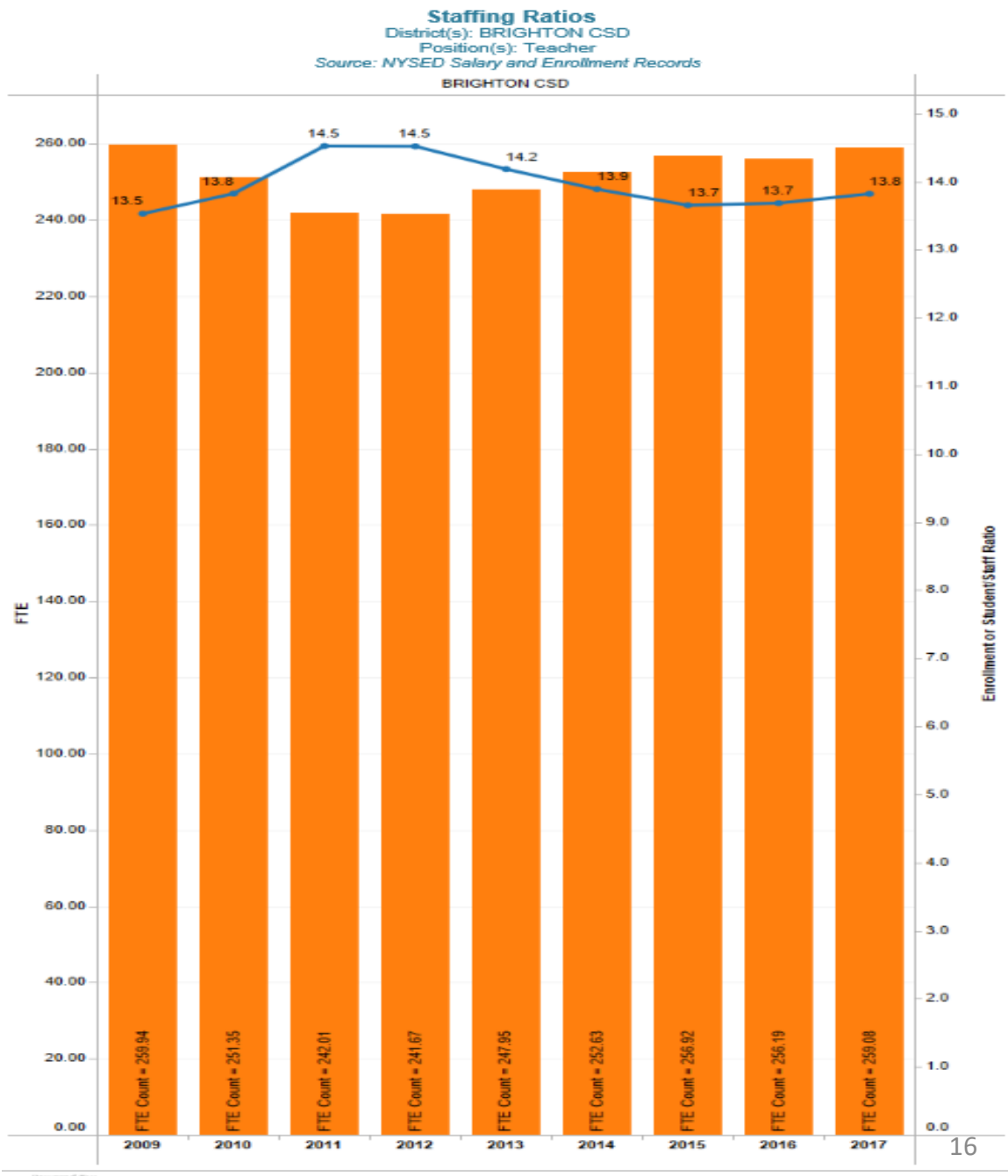
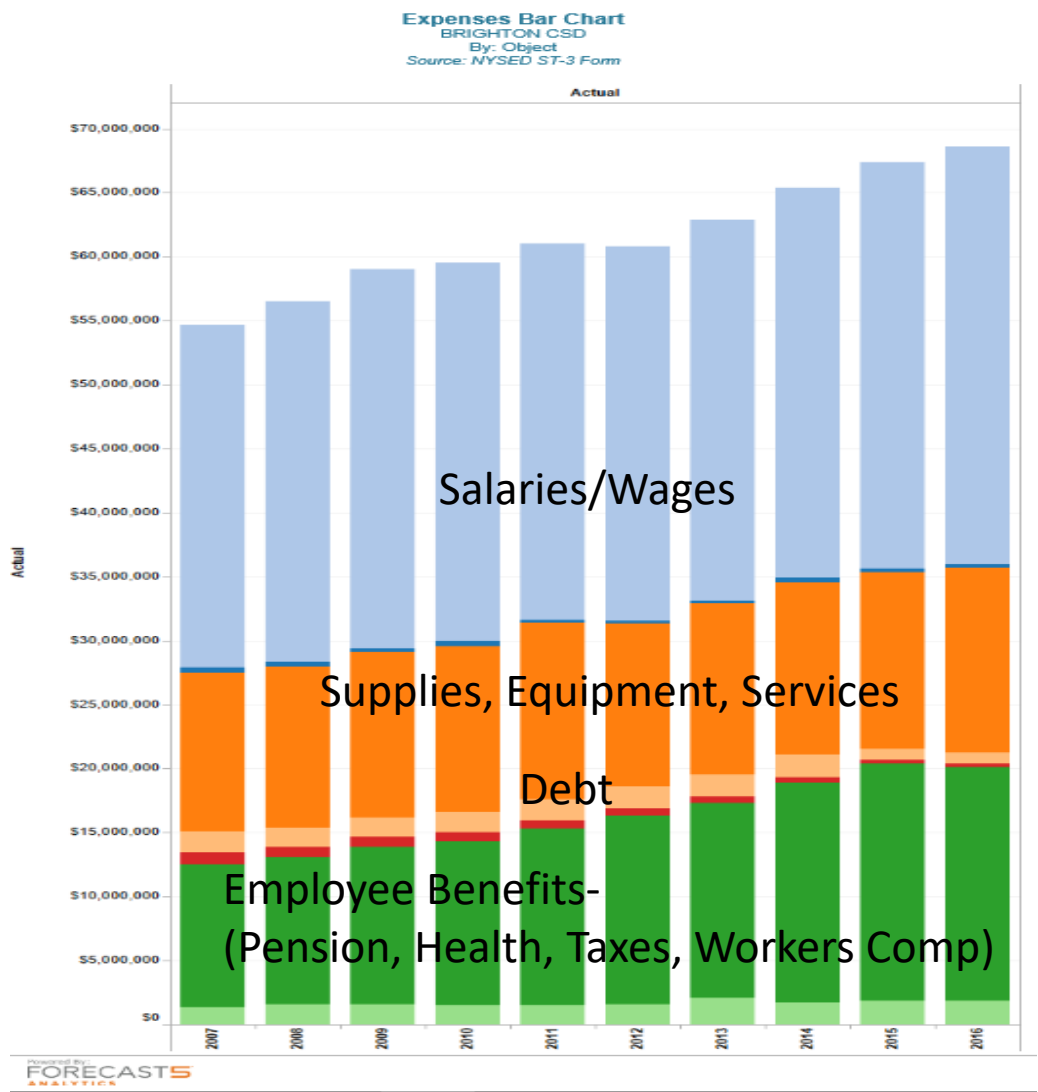


# Financial Trends



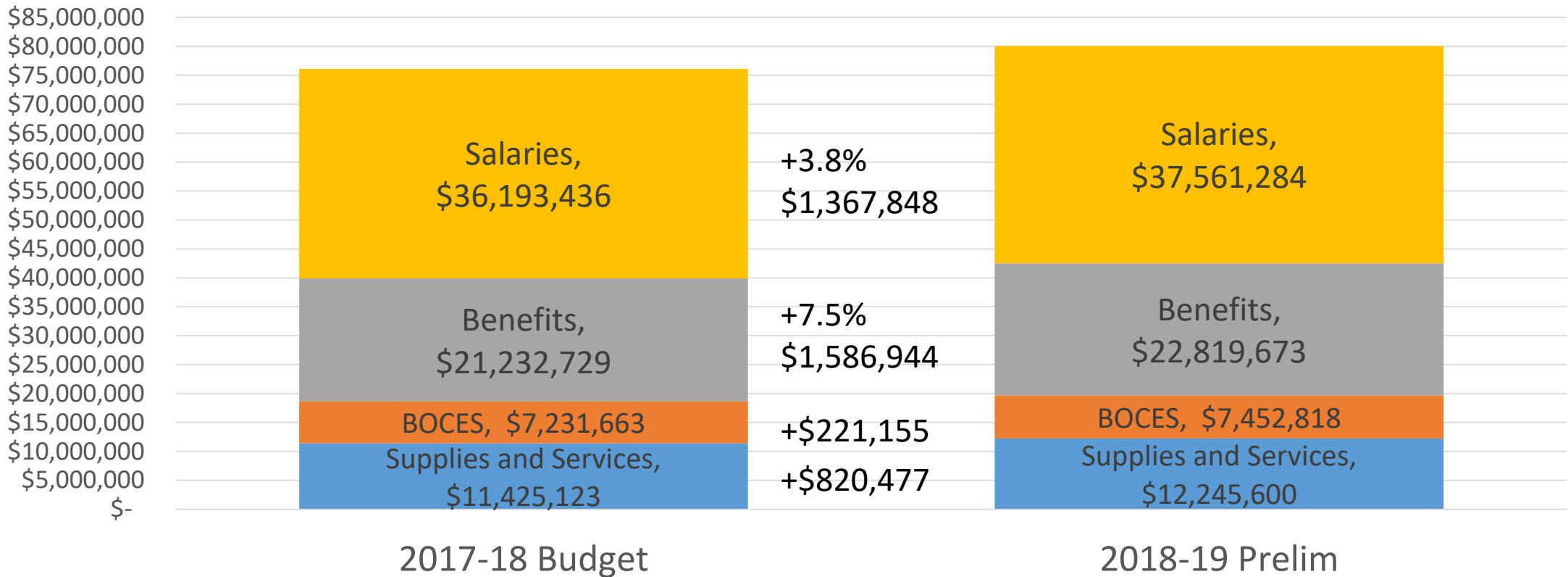


# Expenditure Trends

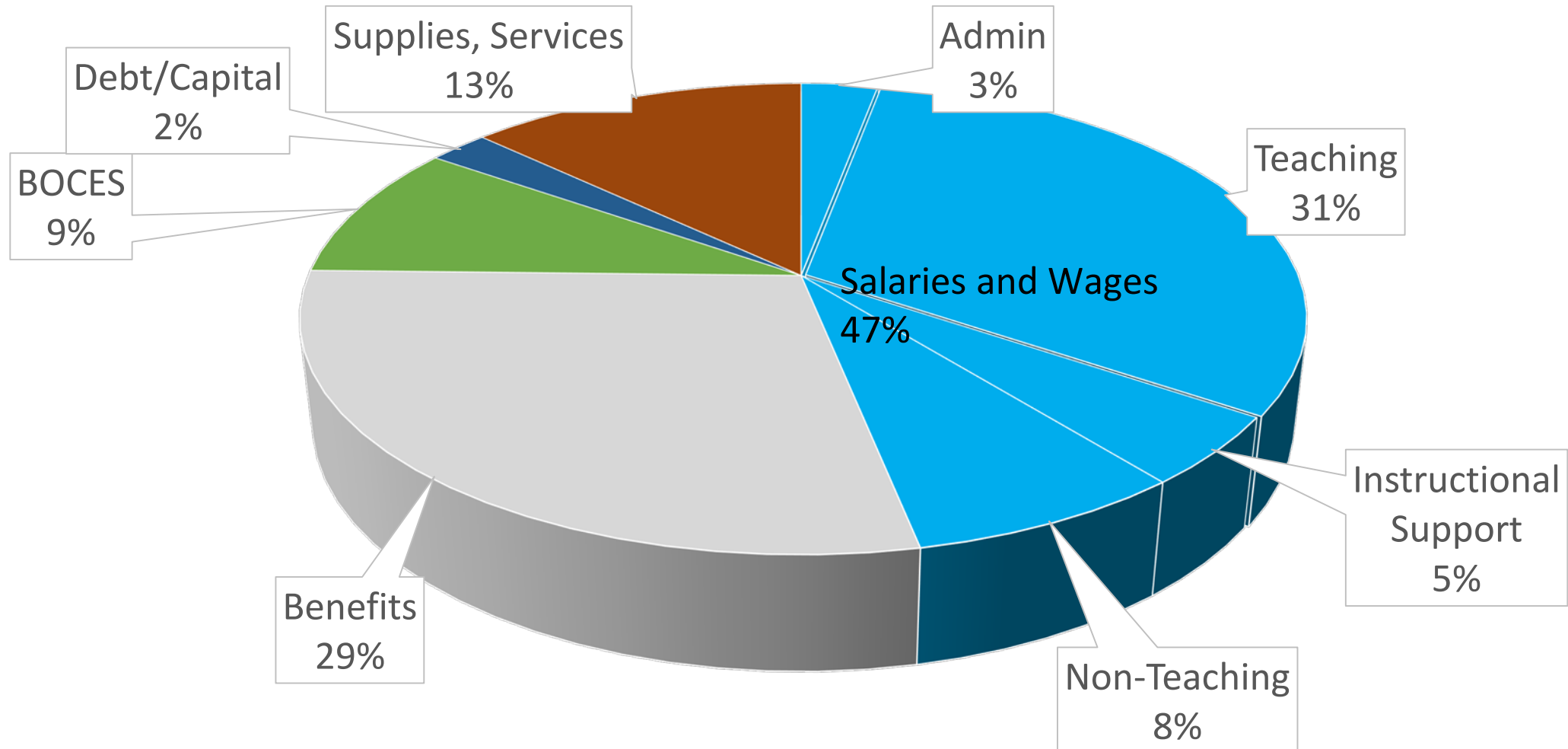


# 2018-19 Preliminary Budget (Object Summary)

Preliminary Budget = \$80.1 million +5.3%



## 2018-19 Preliminary Budget (Object %)



# Factors Impacting Salaries

## Preliminary Increase of \$1,367,848, or 3.8%

1. Contractual and minimum wage adjustments, offset by breakage from retirements - \$916,848, net 2.5% increase from prior year
2. New Positions Proposed = 7.1 FTE \$336,000
  - a) Responding to State mandates - 2.4 FTE
  - b) Proposals related to Rigorous Coursework = 2.0 FTE
  - c) Proposal related to Safety, Security, and Wellness 0.5 FTE
  - d) Enrollment – class size/electives 2.2 FTE
3. Continue to plan for Full Day K to avoid spike = \$115,000



# New Positions Considered

BHS – 2.0 FTE to maintain electives during enrollment growth

BHS – 0.8 instructional teacher leadership positions in ELA and SS

BHS – 0.2 teacher for Cambridge Research course

TCMS – 0.8 teaching to provide AIS services in ELA and Math

TCMS – 0.4 ENL to respond to enrollment and mandate

TCMS – 0.5 Nurse – will provide 2 full-time nurses for continuity during school day

FRES – 0.3 ENL to respond to enrollment and mandate

FRES – 0.2 instrumental music to maintain instrumental offerings and group lesson size

CRPS – 0.5 reading teacher to provide AIS services

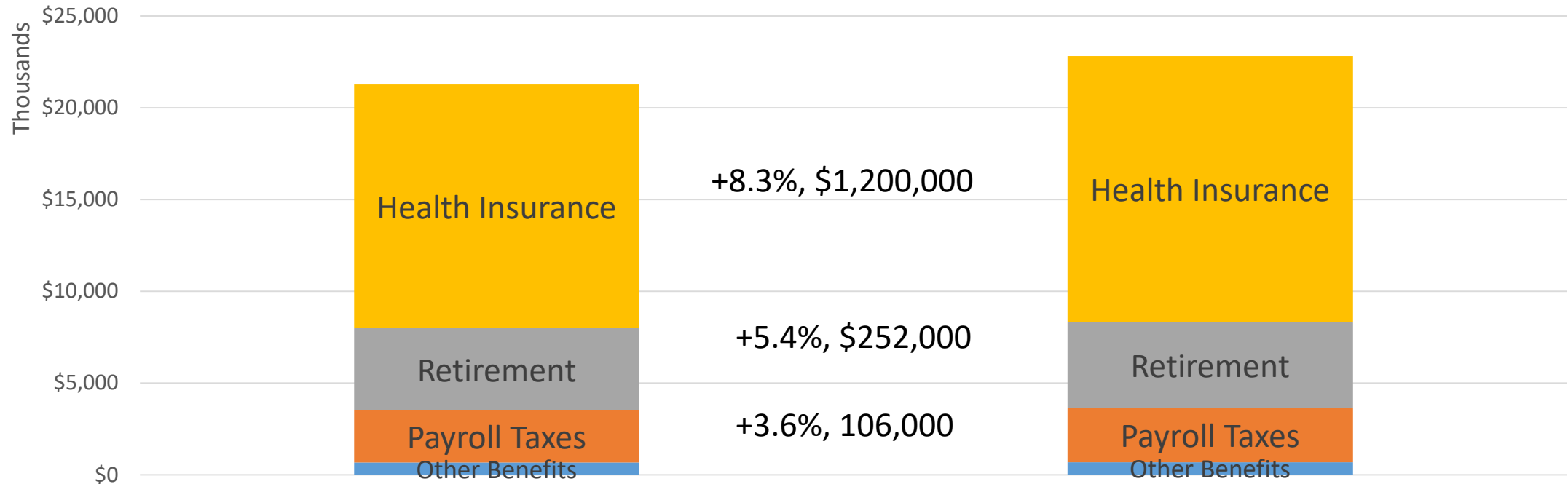
CRPS – 0.4 ENL to respond to enrollment and mandate

K-5: 1.0 dedicated specialists for technology integration

Total FTE Impact: 6.6 teachers; 0.5 non-instructional

Total Budget Impact: \$495,000

# Factors Impacting Benefits



- 1) Medical inflation for RASHP II consortium is 6-8%; >65 plans increase 10-17%
- 2) Increase in the number of participants on District health insurance plans
  - increased number of active employees
  - increase in the number of retirees
- 3) Contribution rates to pension systems beginning to project increases

## Factors Impacting BOCES

BOCES	2017-18 Budget	2018-19 Budget	Change	% Change
Admin Fees	\$656,530	\$669,661	\$13,131	2.0%
Business/Technology Services	976,425	1,000,253	\$23,828	2.4%
General Ed/Professional Dev.	630,759	654,173	\$23,414	3.6%
Special Education	3,614,320	3,704,961	\$90,641	2.4%
Occ Education	381,300	396,552	\$15,252	3.8%
Instructional Technology	306,497	315,079	\$8,582	2.7%
Transportation	665,832	712,139	\$46,307	6.5%
	<u>\$7,231,663</u>	<u>\$7,452,818</u>	<u>221,155</u>	

- 1) Business functions primarily impacted by technology departmental costs and expansion of 1:1 program.
- 2) Stable enrollment and BOCES rate increase impacting instructional costs (general, special, and occupational education programs).
- 3) Special education is driven by severity of the needs – enrollment relatively stable
  - need to maintain appropriate provision for risk
- 4) Transportation increases due to increased reliance and rate increases attributable to minimum wage.



# Other Budget Factors

	2017-18 Budget	2018-19 Budget	Change
Business Admin	\$92,835	\$110,426	\$17,591
Legal Fees	130,000	125,000	(5,000)
Utilities/Custodial	1,435,504	1,447,693	12,189
Maintenance Projects	398,729	420,257	21,528
Printing/Mailing	224,000	232,183	8,183
Insurances	257,876	265,097	7,221
Tax Certiorari Claims	-	-	-
School Supplies and Materials	913,977	922,962	8,985
Charter School Tuitions	230,000	237,000	7,000
Spec Ed. Contracts/Tuitions	1,622,617	1,787,536	164,919
Contract Transportation	3,011,219	3,149,146	137,927
Debt Service	1,069,462	1,350,000	280,538
Transfer to Special Aid	145,000	155,000	10,000
Transfer to Capital	500,000	500,000	-
All Other Supplies and Services	1,393,904	1,543,300	149,396
	11,332,288	12,135,174	820,477



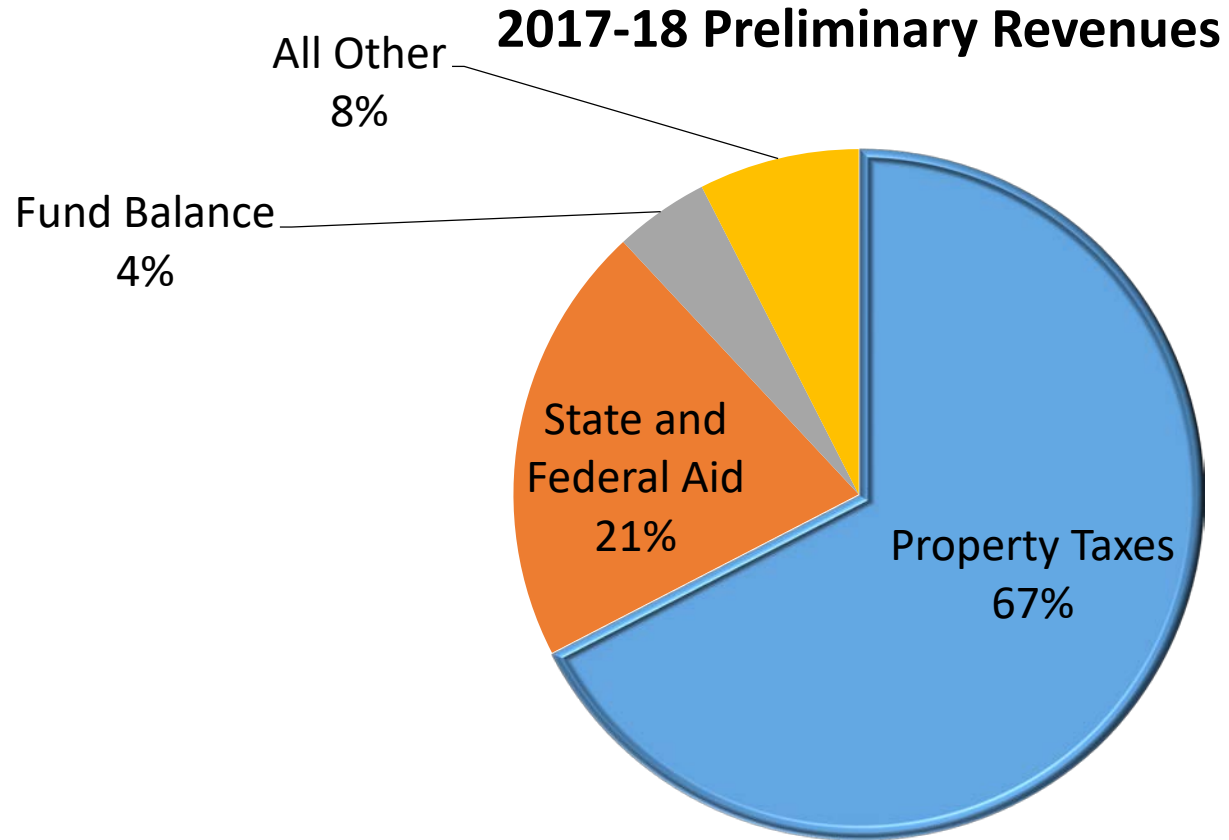
# State Aid Analysis

	2017-18 OUTPUT REPORTS	2018-19 EXECUTIVE BUDGET	CHANGE FROM OUTPUTS
<b><u>BASIC OPERATING AID</u></b>			
Foundation Aid	7,585,118	7,724,101	138,983
Total Foundation Aid Due	13,987,742	13,987,742	
% Foundation Paid	54%	55%	
<b><u>CATEGORICAL AIDS</u></b>			
Building	2,171,331	2,279,973	108,642
Transportation	2,214,208	2,342,830	128,622
<b>TOTAL HANDICAPPED AIDS</b>	908,374	1,001,834	37,500
<b>TOTAL INSTRUCTIONAL MATERIALS AID</b>	321,069	438,773	117,704
BOCES AID <input type="checkbox"/>	1,689,204	1,738,836	3,629
<b>TOTAL STATE AID</b>	<b>14,889,304</b>	<b>15,526,347</b>	<b>535,080</b>

\* Supports 0.2% increase in spending

Reimbursed from 17-18 spending. Supports recurring costs

# Revenue Sources



## Preliminary Budget and Impact on Tax Levy

	<b>2018-19 Prelim</b>	<b>\$ Change</b>	<b>% Change</b>
A) Total Preliminary Budget Amount	\$80,079,375	\$3,996,424	5.3%
B) Total Revenues Other Than Real Property Taxes (Excluding Tax Levy)	22,249,959	692,915	3.3%
C) Amount of Fund Balance Used for Levy of Tax	3,456,000	-	0.0%
D) Non-Property Tax Revenues (B+C)	\$25,705,959	\$692,915	
<b>E) Total Real Property Tax Levy to be Raised for School Purposes (A-D)</b>	<b>\$54,373,416</b>		
<b>2016-17 Real Property Tax Levy</b>	<b>\$51,069,907</b>		
<b>% Increase in Real Property Tax Levy</b>	<b>6.47%</b>		

## Fund Balance and Reserve Considerations

- District already using Retirement Reserve to fund 100% of ERS liability.
- Reliance on Appropriated Fund Balance
  - \$2,600,000 = 5.1% of the 2016-17 tax levy
  - Unrestricted = \$3,043,318
- Tightening up margins diminishes ability to replenish reserves and puts district at risk if reliance on appropriated fund balance is not reduced.

# Impact of Preliminary Budget on Taxes

## IMPORTANT RELATIONSHIPS

1% Increase in Property Taxes	\$510,000
1% increase in Spending	\$760,000

## GAP ANALYSIS

Target Change in Tax Levy	Allowable Change in Spending	Impact on Preliminary Budget: Additional Revenue/ (Reductions Required)
0% Change in Tax Levy	0.9%	(\$3,303,509)
1% Increase in Levy	1.6%	(\$2,792,810)
2% Increase in Levy	2.3%	(\$2,282,111)
3% Increase in Levy	2.9%	(\$1,771,412)
4% Increase in Levy	3.6%	(\$1,260,713)
5% Increase in Levy	4.3%	(\$750,014)
6% Increase in Levy	4.9%	(\$239,315)

## Next Steps

- Continue to monitor budget-to-actual projections to analyze assumptions used in preliminary budget;
- Collaborate with building principals and department managers to:
  1. Assess opportunities for efficiencies
  2. Evaluate the impact of cost reduction strategies
- Develop community survey
- Continue advocacy efforts