

BRIGHTON CENTRAL SCHOOL DISTRICT

Budget Discussion

2019-20



Presented to the
Board of Education
January 22, 2019

Budget Development Process



Key Budget Guidelines

- Ensure recurring operating expenses are appropriately funded with sustaining revenue sources.
- Support the execution and implementation of the actions plans developed as part of the Brighton Blueprint as accepted by the Board of Education at its meeting on August 14, 2018:
 - **Safety, security, and wellness**
 - **Rigorous coursework**
 - **Creativity and innovation**
 - **Diversity and equity**
 - **Instructional technology**
- 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 2019-20 budget. All potential budget reductions/consolidations will require an academic impact analysis.
- ***Continue to implement strategies that meet our short and long-term goals for facilities modernization given a volatile construction market.***
- ***Prudently plan for the implementation of a full-day kindergarten program and debt service impact of the 2017 Brighton Facilities Improvement Plan.***
- Understand the impact of the property tax cap on long-term financial planning.



2019-20 Budget Development Calendar

Completion Date	Activity
September 4, 2018	Budget guidelines and calendar approved by BOE
January 8, 2019	Preliminary Blueprint recommendations
January 22, 2019	Budget development process/enrollment projections/Preliminary Budget – revenues and expenditures
February 26, 2019	Budget review and approval of tax cap levy limit
March 6, 2019	Community Budget Forum
March 12, 2019	Budget development update
March 20, 2019	Community Budget Forum
March 26, 2019	Executive Budget Proposal
April 9, 2019	BOE feedback on Executive Budget/adoption of 2019-20 Budget and Property Tax Report Card
May 14, 2019	Annual Budget Hearing
May 21, 2019	School 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
- Modest rate increase in 18-19 allows funding for 19-20
- Pension contribution rates decrease
- Multi-year impact of capital project and implementation of Full-Day K.
- Allowable tax levy growth at 2%

Budget Factors

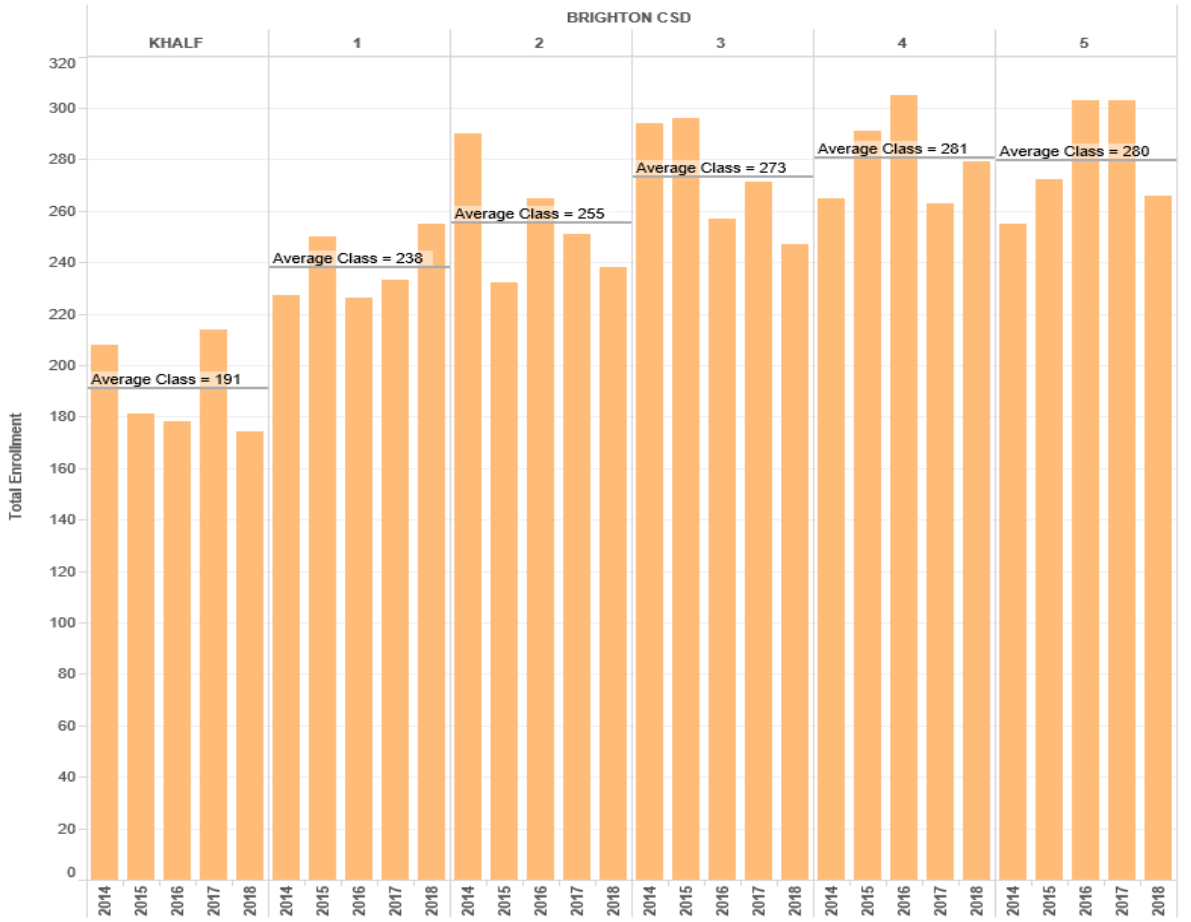
Factors to be Assessed

- Changes in mandated student services/education plans
- Student elective demands
- Changes in State and Federal Aids
 - Diversion of funds to poorer districts
 - New unfunded mandates??
 - Volatility in federal politics and funding reliability
- Financing strategies for capital project
 - Navigating tax cap implications



Enrollment- K-5 Trends and Forecast

District Grade Level
 District: BRIGHTON CSD
 Source: NYSED School Enrollment Data



	2018-19	Enrollment Forecast				
		2019-20	2020-21	2021-22	2022-23	2023-24
K	187	188	186	237	247	247
1	226	232	231	229	249	259
2	272	240	246	243	241	262
3	262	284	249	256	253	251
4	264	273	293	257	264	260
5	298	270	277	299	263	270



Elementary Class Size

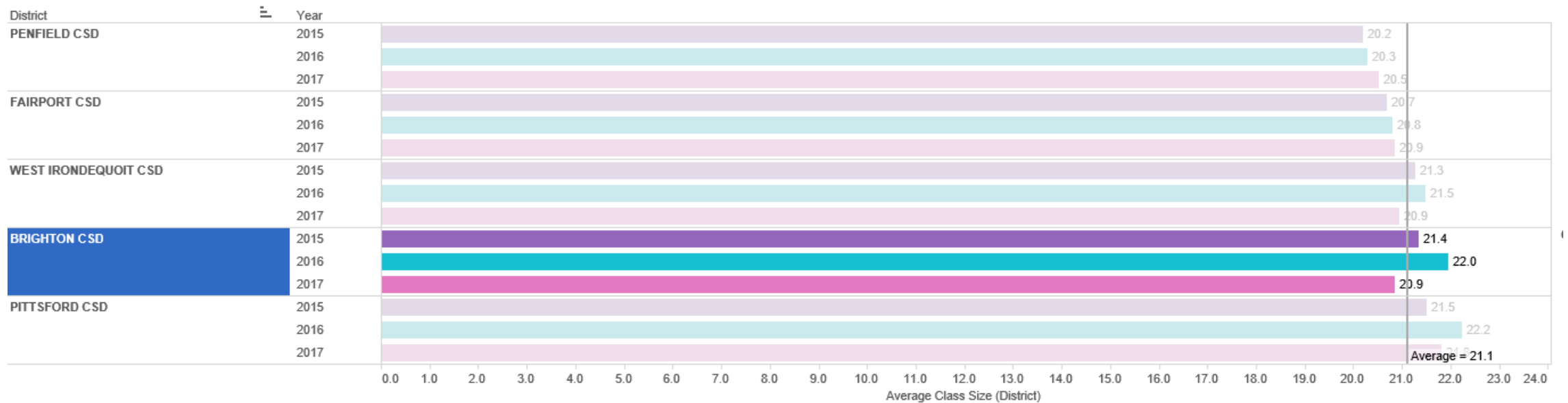
Impact of Current Staffing Allocations

ROLLOVER STAFFING	2018-19		2019-20			2019-20 Analysis		
	F.T.E.	Enroll	Ratio	F.T.E.	Enroll	Ratio	+1 tchr	-1 tchr
Teaching (PreK - 5)								
Kindergarten AM	6.00	89	14.8	6.00	94	15.7	13.43	18.80
Kindergarten PM	6.00	95	15.8	6.00	94	15.7	13.43	18.80
Grade 1	11.00	226	20.5	11.00	232	21.1	19.36	23.23
Grade 2	12.00	272	22.7	12.00	240	20.0	18.43	21.78
Grade 3	12.00	262	21.8	12.00	284	23.7	21.87	25.85
Grade 4	12.00	264	22.0	12.00	273	22.8	21.01	24.83
Grade 5	13.00	298	22.9	13.00	270	20.8	19.28	22.49
General Education	66.00	1,506		66.00	1,487		0.00	

Note: Model is based on 2019-20 Enrollment Projections.

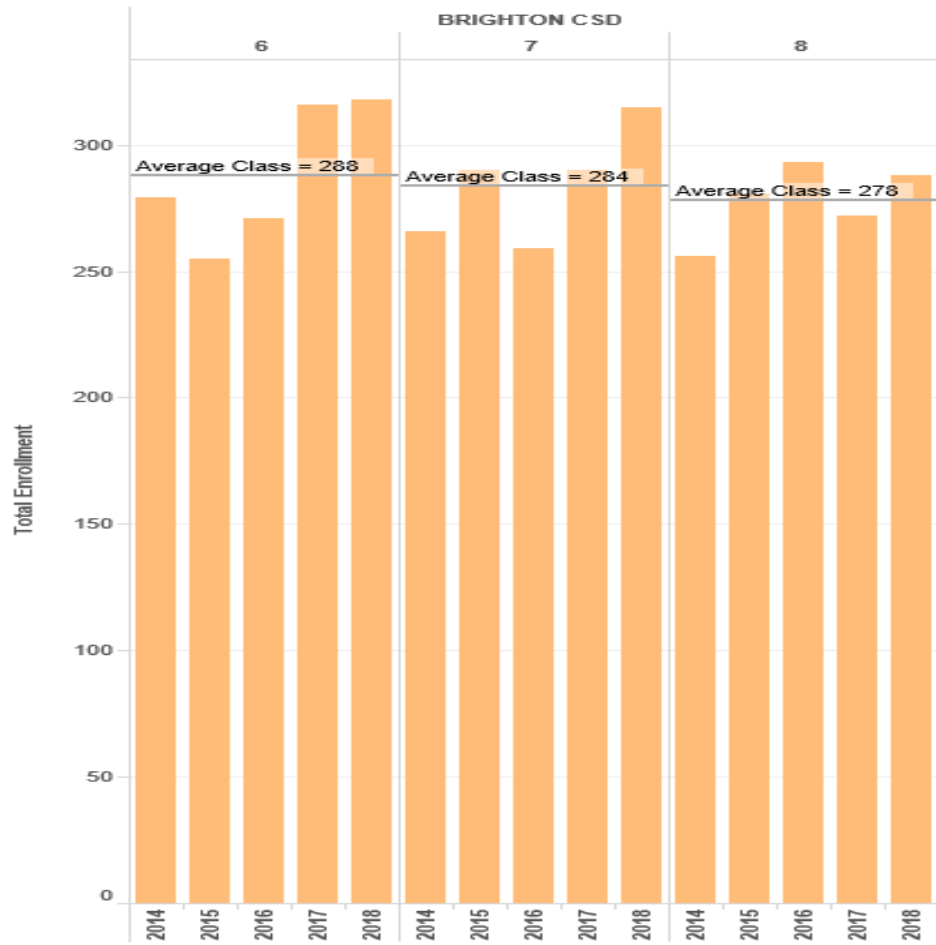
Average Trends in Class Size

Average Class Size
 Class Name: COMMON BRANCH-GRADES 1-6, Grade Level: N/A
 Year(s): 2015, 2016, 2017
 Source: NYSED Personnel Master File (PMF)



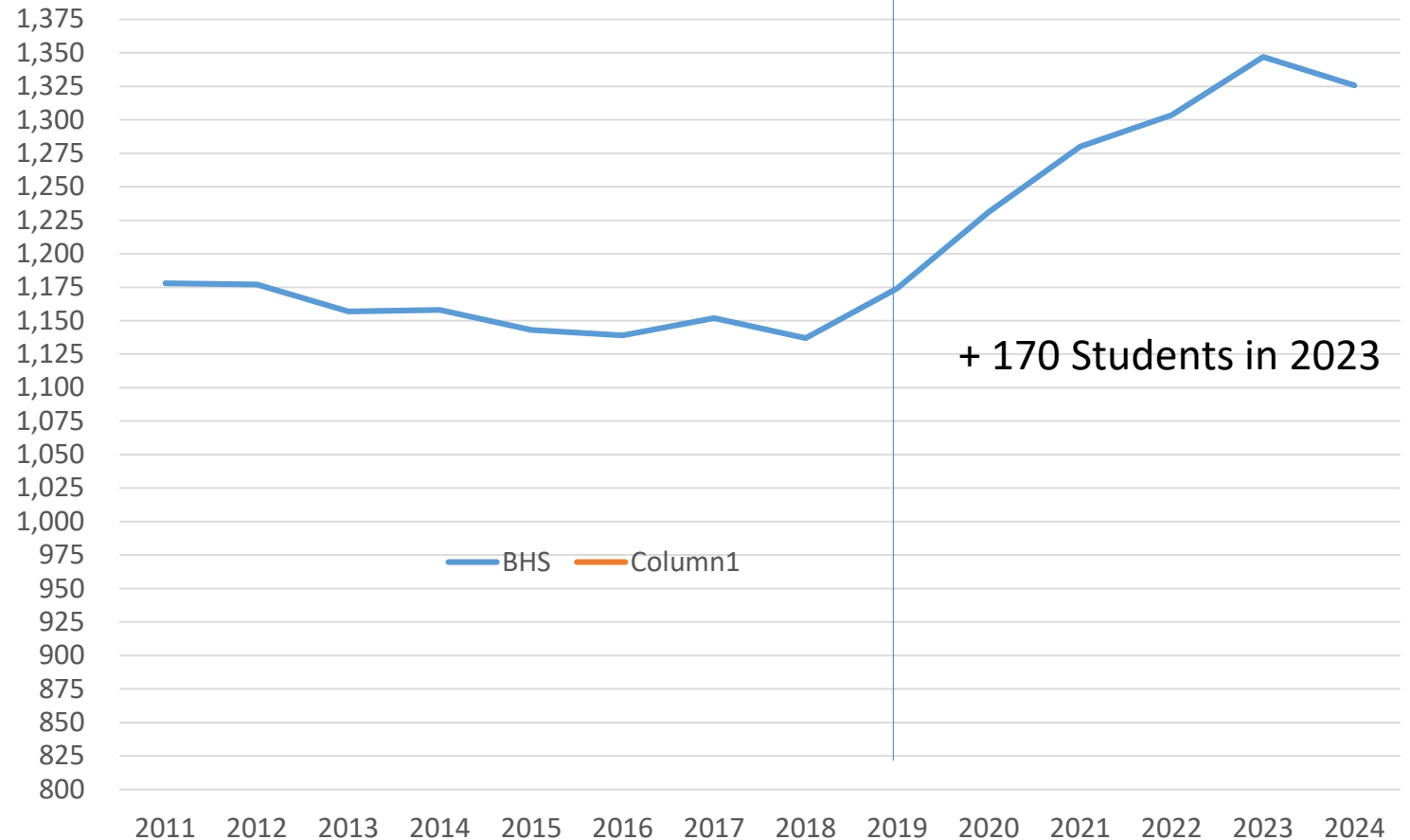
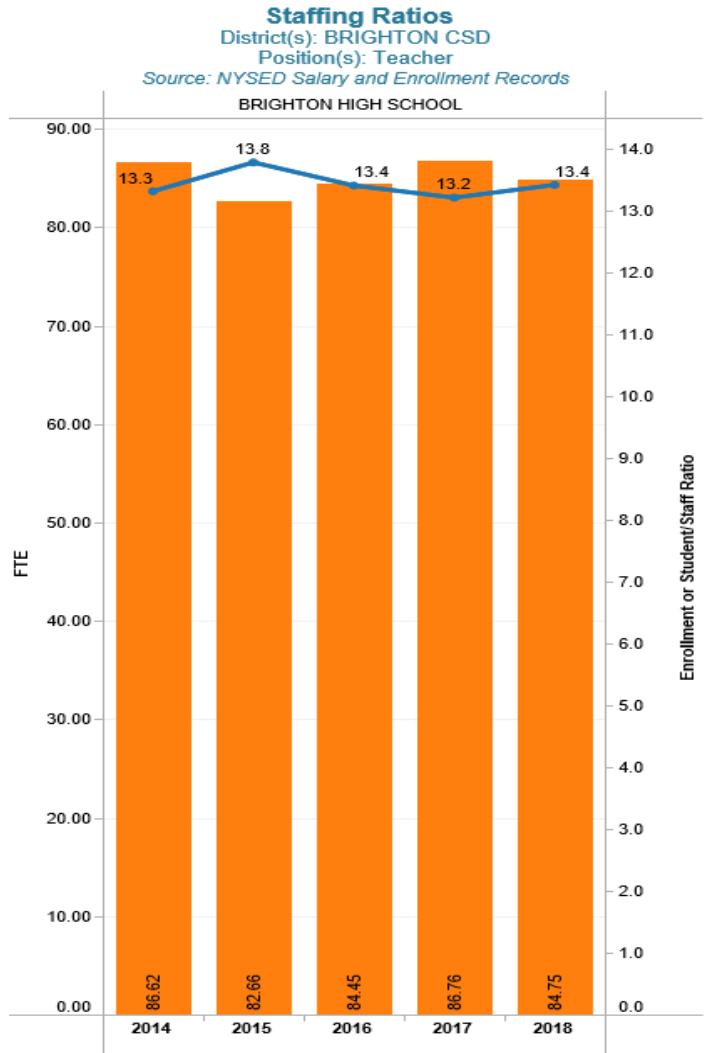
Enrollment- TCMS Trends and Forecast

District Grade Level
District: BRIGHTON CSD
Source: NYSED School Enrollment Data

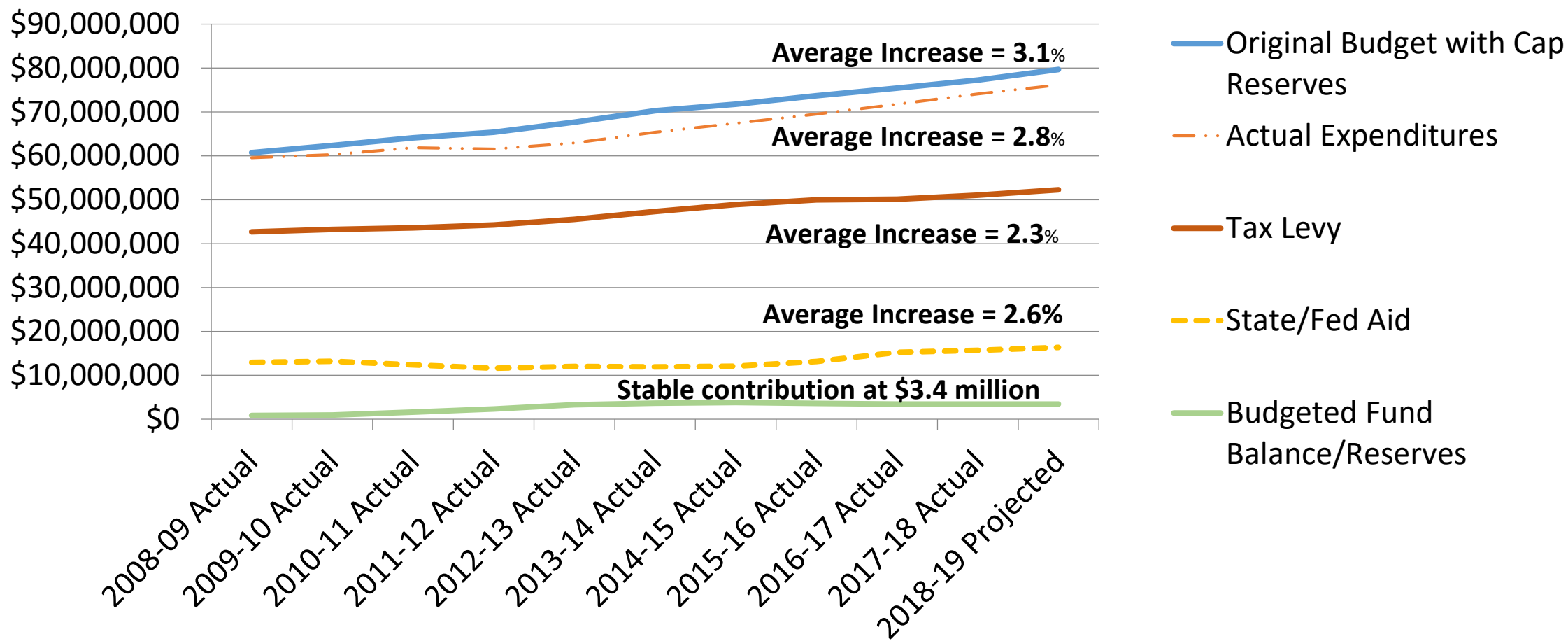


	2018-19	Enrollment Forecast				
		2019-20	2020-21	2021-22	2022-23	2023-24
6	281	313	283	284	307	270
7	333	293	325	292	294	317
8	321	341	300	333	299	301

BHS Enrollment and Staffing

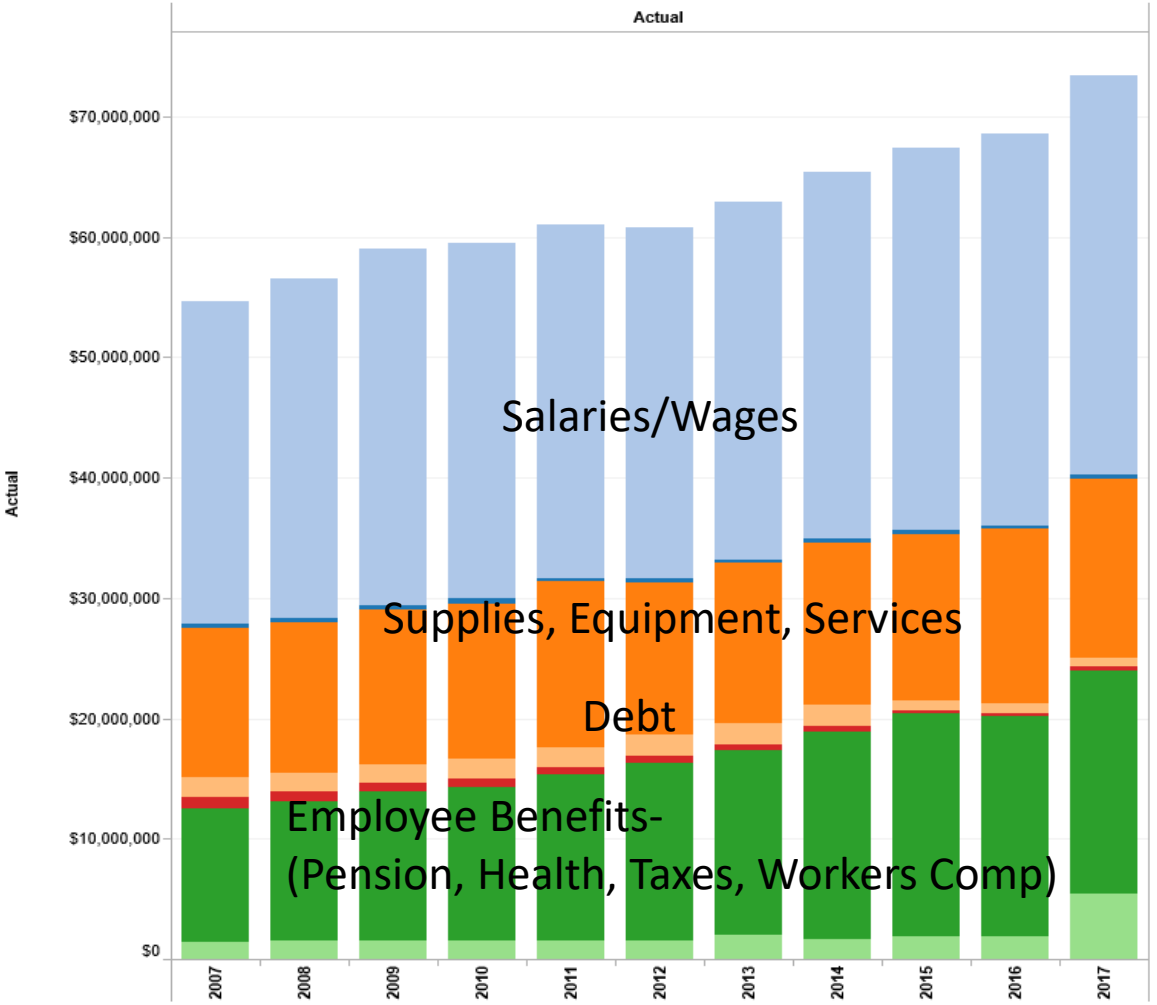


Financial Trends

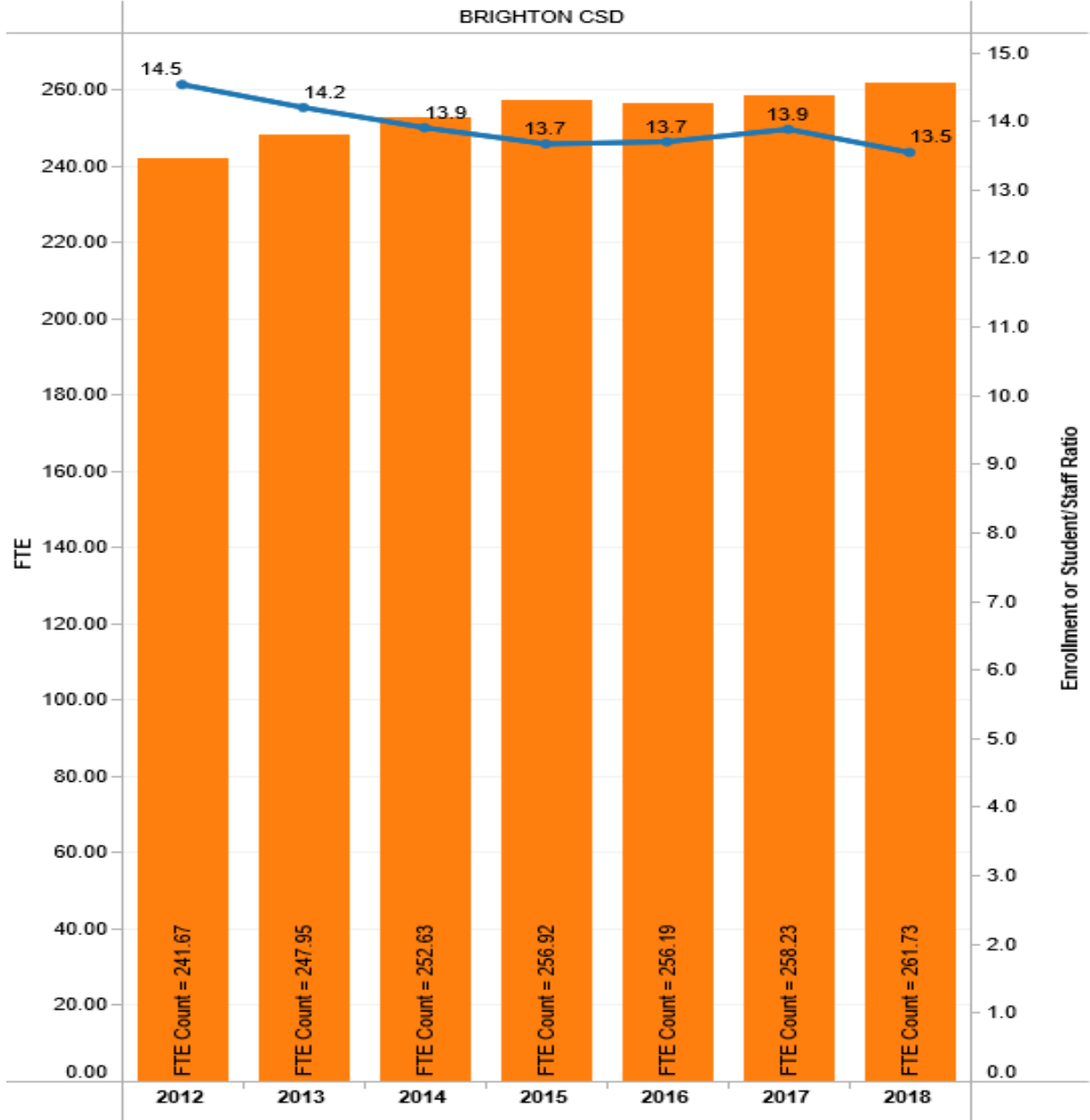


Expenditure Trends

Expenses Bar Chart
 BRIGHTON CSD
 By: Object
 Source: NYSED ST-3 Form

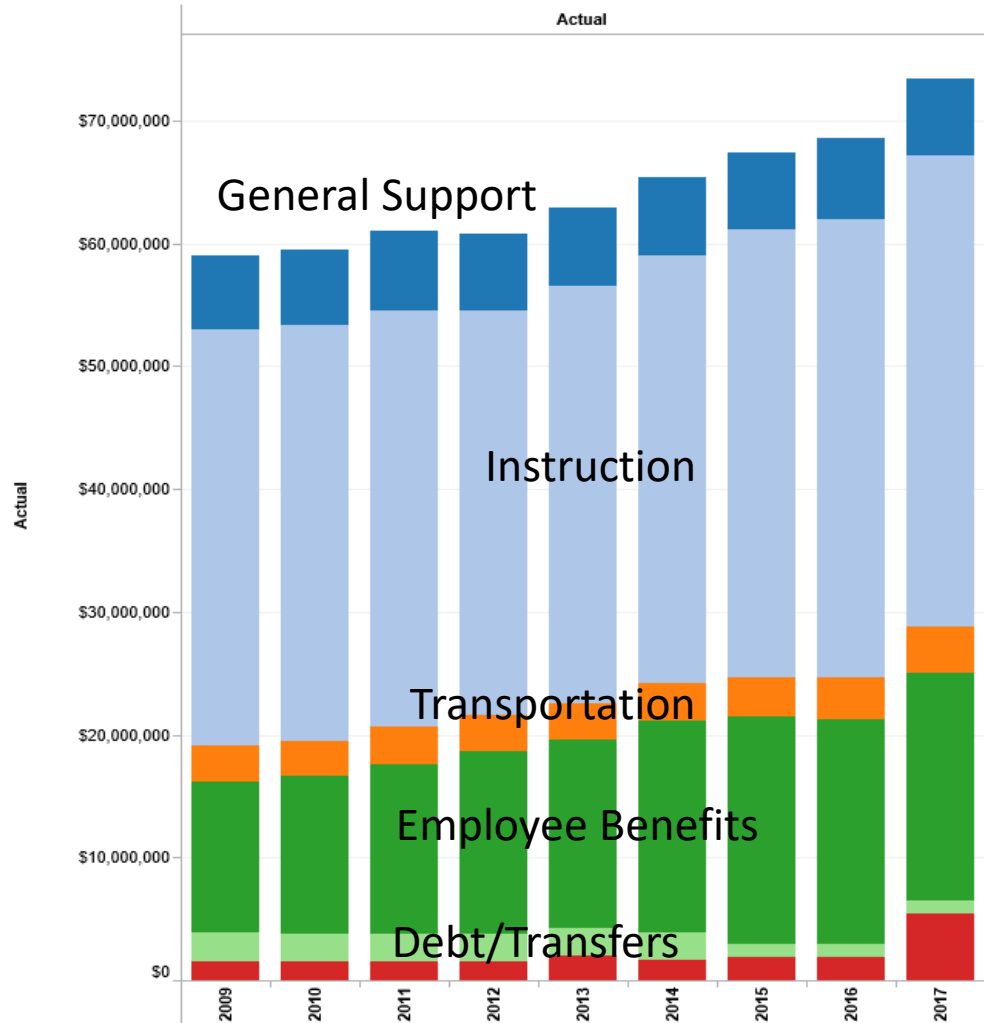


Staffing Ratios
 District(s): BRIGHTON CSD
 Position(s): Teacher
 Source: NYSED Salary and Enrollment Records
 BRIGHTON CSD



Expenditure Trends

Expenses Bar Chart
BRIGHTON CSD
By: Function
Source: NYSED ST-3 Form

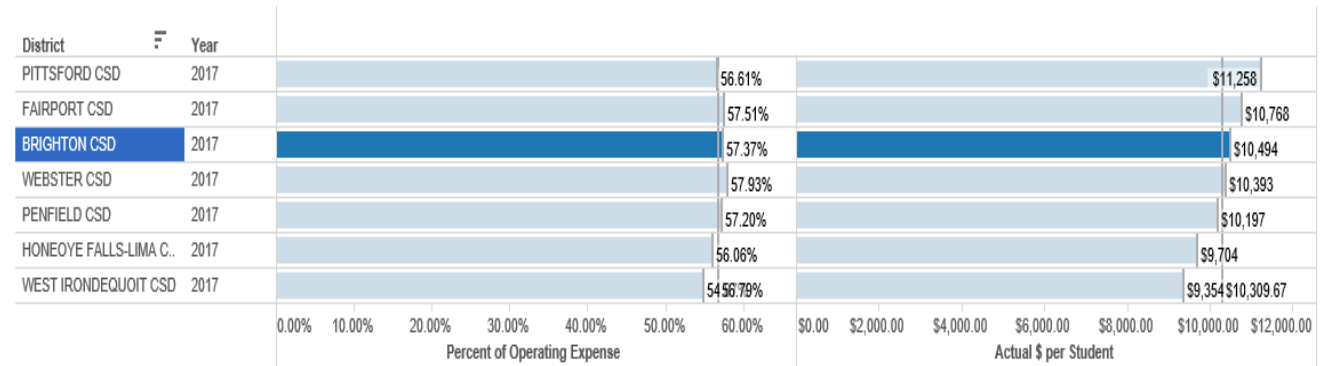


Per Pupil Spending - Instruction

Line Item Spending Comparison

Note: "Total Operating Expense" is defined by NYSED

Source: NYSED ST-3 Form, Student count represents Duplicate Combined Adjusted Average Daily Membership (DCAADM) from NYSED Fiscal Profiles. When DCAADM is not available, enrollment is used.

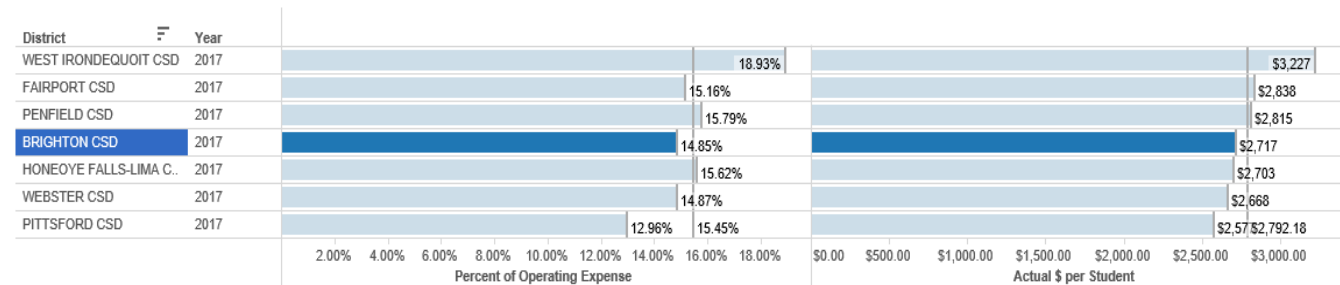


Per Pupil Spending – General Support & Transportation

Line Item Spending Comparison

Note: "Total Operating Expense" is defined by NYSED

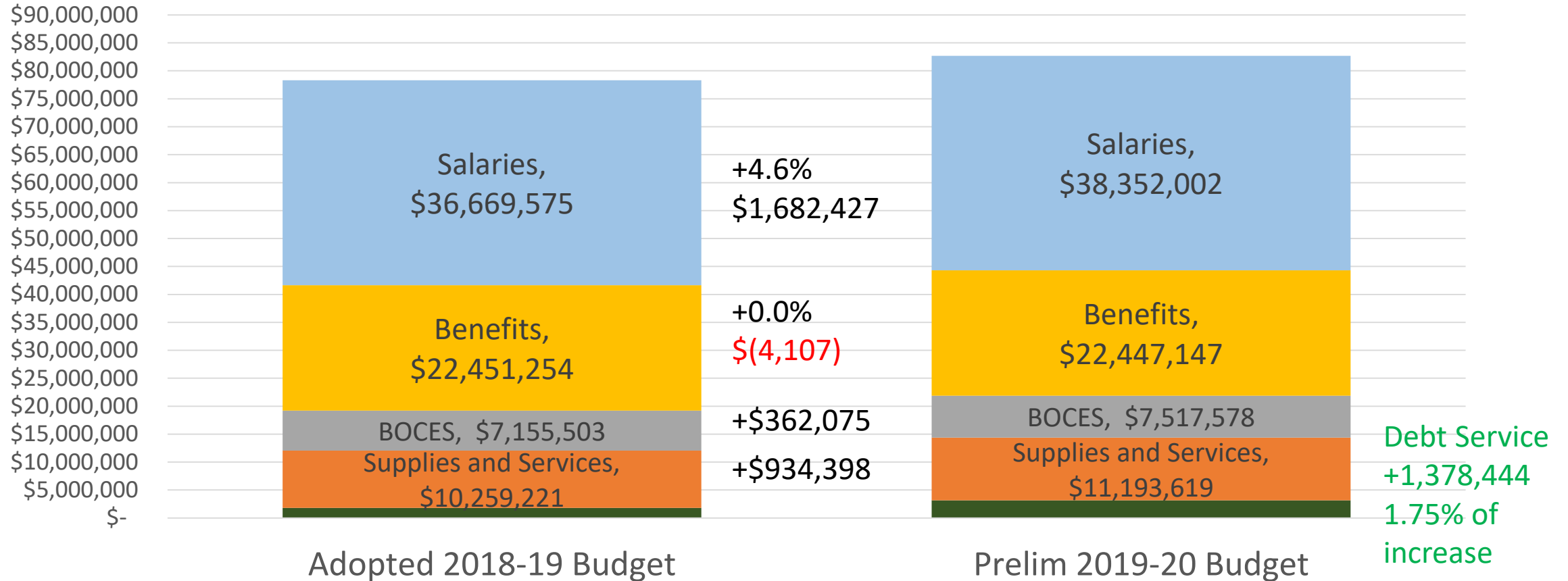
Source: NYSED ST-3 Form, Student count represents Duplicate Combined Adjusted Average Daily Membership (DCAADM) from NYSED Fiscal Profiles. When DCAADM is not available, enrollment is used.



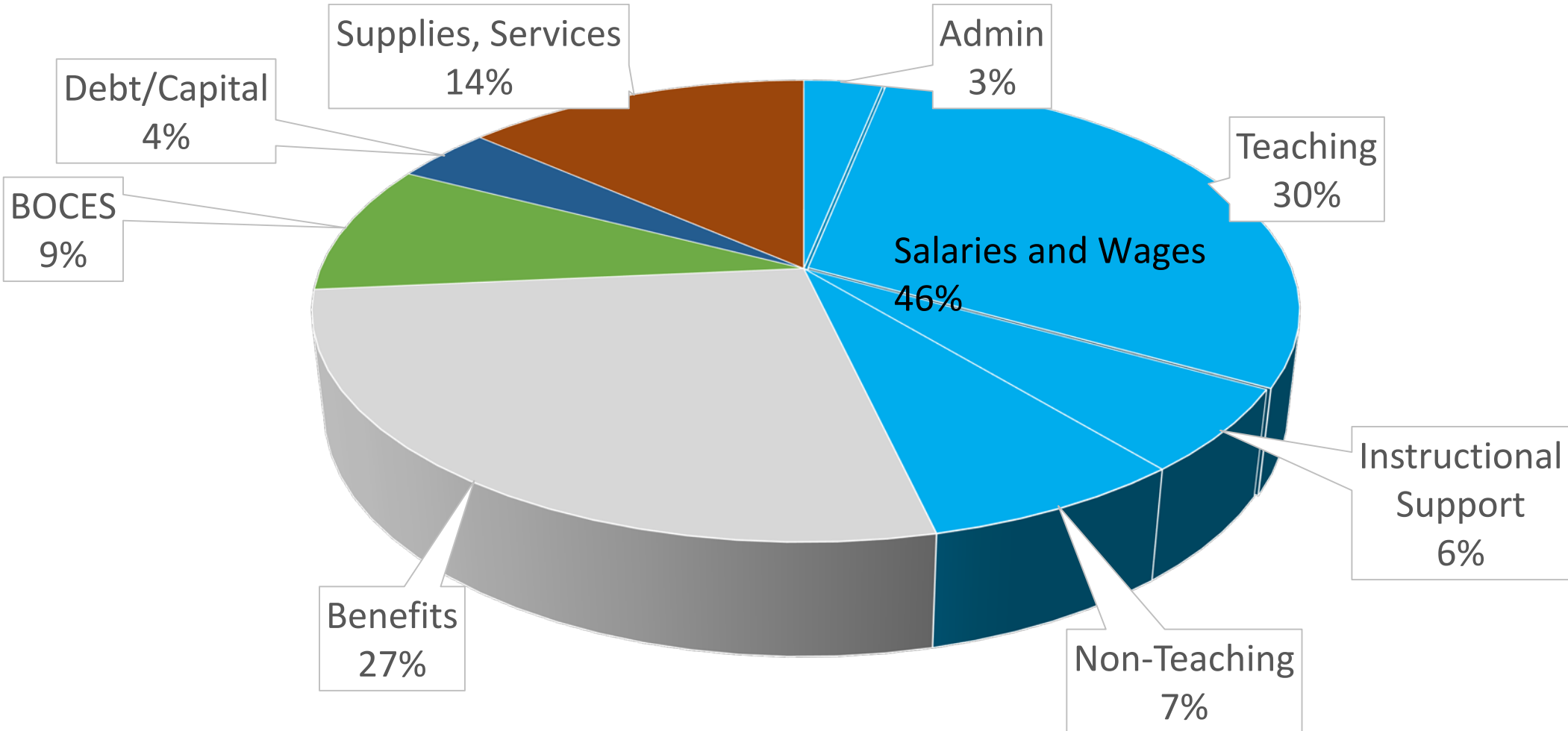


2018-19 Preliminary Budget (Object Summary)

Preliminary Budget = \$82.7 million +5.6%
 (+3.8% Operations, 1.75% Capital)



2019-20 Preliminary Budget (Object %)

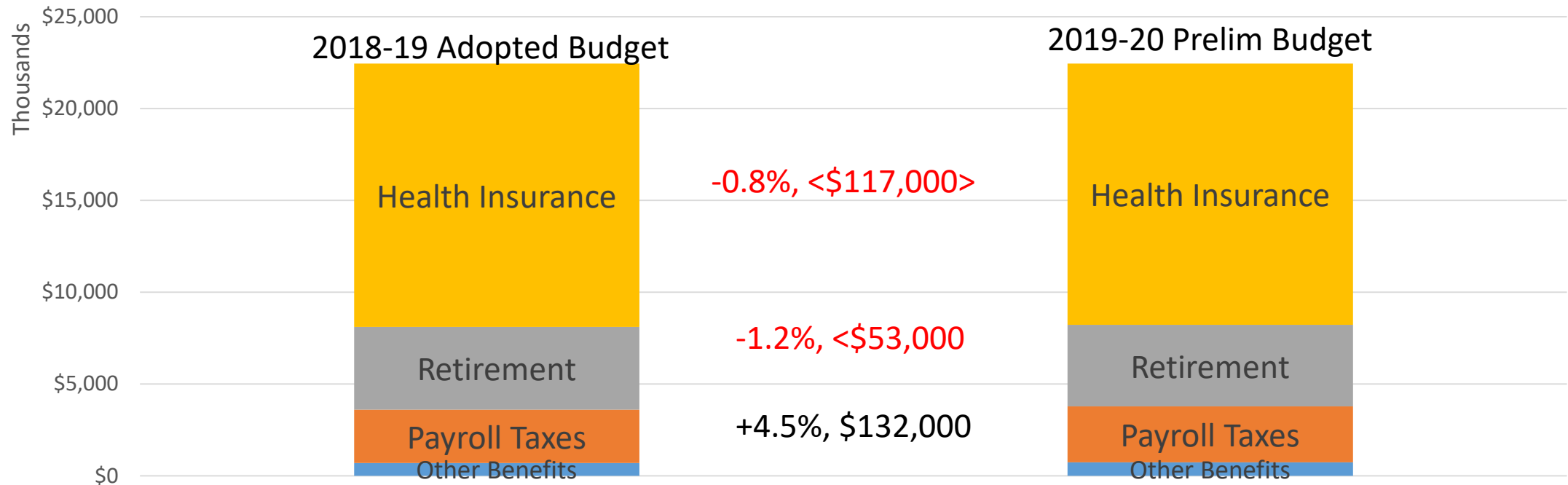


Factors Impacting Salaries

Preliminary Increase of \$1,682,427 or 4.6%

1. Contractual and minimum wage adjustments, offset by breakage from retirements - \$1,109,427, net 3.0% increase from prior year
2. New Positions Proposed = 8.2 FTE \$410,000
 - a) Responding to State mandates - 2.4 FTE (ENL/SIFF)
 - b) Proposal related to Diversity-Equity = 0.4 FTE
 - c) Proposal related to Safety, Security, and Wellness - 3.0 FTE (Security)
 - d) Enrollment – class size/electives 2.4 FTE
3. Continue to plan for Full Day K to avoid spike = \$113,000
4. Grant adjustments - .5 FTE - \$50,000

Factors Impacting Benefits



- 1) Medical inflation for RASHP II consortium increased 1.1% in 18-19
- 2) Analysis of the number of participants on District health insurance plans is pending
 - change in number of active employees and plan selection mix
 - change in the number of retirees
- 3) Contribution rates to TRS systems decreased from 10.62% to 9.5%

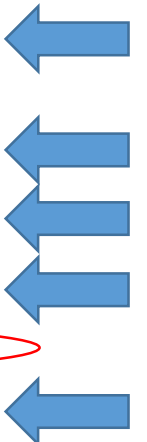
Factors Impacting BOCES

BOCES	2020 Prelim	2019 Adopted	Change	% Change
Admin Fees	\$ 669,203	\$ 659,313	\$ 9,890	1.5%
Business/Technology Services	959,473	900,946	58,527	6.5%
General Ed/Professional Dev.	591,811	583,103	8,708	1.5%
Special Education	3,680,473	3,482,411	198,062	5.7%
Occ Education	494,922	364,002	130,920	36.0%
Instructional Technology	468,346	302,178	166,168	55.0%
Transportation	653,350	863,550	(210,200)	-24.3%
	\$ 7,517,578	\$ 7,155,503	\$ 362,075	

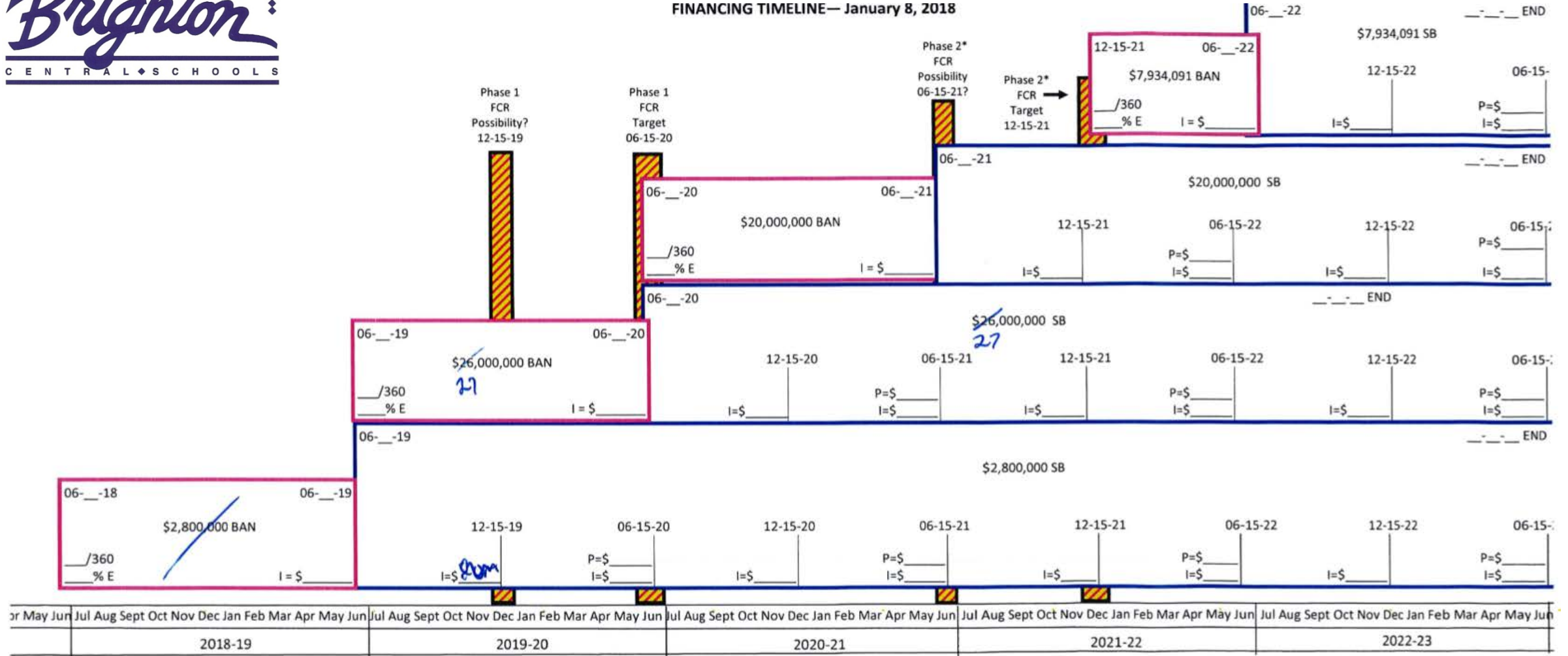
- 1) Business functions primarily impacted by technology departmental costs and expansion of 1:1 program.
- 2) Stable enrollment and BOCES rate increase impacting instructional costs (general, special, and occupational education programs).
- 3) Special education is driven by severity of the needs – enrollment relatively stable
- need to maintain appropriate provision for risk
- 4) Increased demand for occupation education programs – funds 50 students
- 4) Transportation decrease due to change in provider – attributable to driver shortages.

Other Budget Factors

	2020 Prelim	2019 Adopted	\$ Change
Business Functions	\$ 216,994	\$ 212,862	\$ 4,132
Legal Fees	125,000	125,000	-
Utilities/Custodial	1,476,826	1,447,693	29,133
Maintenance Projects	410,149	410,257	(108)
Printing/Mailing	243,939	232,183	11,756
Insurances	272,257	265,097	7,160
Assessments and Dues	65,225	63,608	1,617
School Supplies and Materials	1,121,053	965,462	155,591
Charter School Tuitions	233,775	247,000	(13,225)
Spec Ed. Contracts/Tuitions	1,998,700	1,867,536	131,164
Health Services Paid to Other Districts	301,623	192,370	109,253
Contract Transportation	3,505,657	3,149,146	356,511
Debt Service/Transfers	3,173,444	1,795,000	1,378,444
All Other Supplies and Services	1,222,421	1,081,007	141,414
	\$ 14,150,069	\$ 11,841,359	\$ 2,308,710



FINANCING TIMELINE— January 8, 2018



PHASE 1 CONSTRUCTION

PHASE 2 CONSTRUCTION
3 Bldgs. Summer 1

PHASE 2 CONSTRUCTION
3 Bldgs. Summer 2

PHASE 2 CONSTRUCTION
3 Bldgs. Summer 3

*Possibly can file EASR for 0004-020
Per Roseann Groff email 7/11/2017

PHASE 2 CONSTRUCTION
Council Rock Summer 1

PHASE 2 CONSTRUCTION
Council Rock Summer 2

PHASE 2 CONSTRUCTION
Council Rock Summer 3

State Aid Analysis

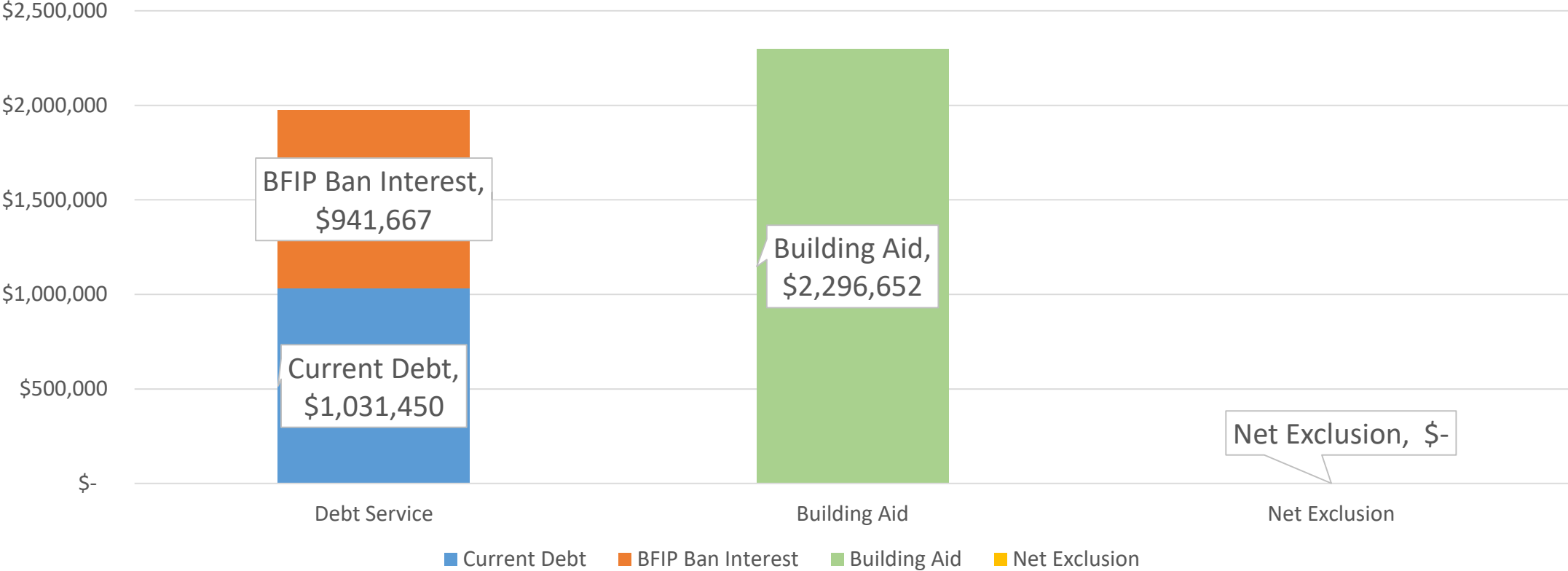
	2018-19 LEGISLATIVE BUDGET	2018-19 LEGISLATIVE BUDGET	CHANGE FROM OUTPUTS
BASIC OPERATING AID			
Foundation Aid	7,955,740	8,032,092	76,352
Deduct for Local Share	(55,000)	(55,000)	-
SUBTOTAL BASIC OPERATING AID	7,900,740	8,032,092	76,352
Total Foundation Aid Due	13,987,742	14,986,011	
% Foundation Paid	56%	54%	
CATEGORICAL AIDS			
Building	2,279,973	2,327,779	47,806
Transportation	2,342,779	2,527,338	184,559
Excess Cost Aid	1,001,348	975,497	(25,851)
Computer Hardware	88,901	91,335	2,434
Software, Library, Textbook	349,772	354,370	4,598
BOCES AID	1,863,608	1,947,859	84,251
TOTAL STATE AID	15,827,121	16,256,270	429,149

* Supports 0.1% increase in spending

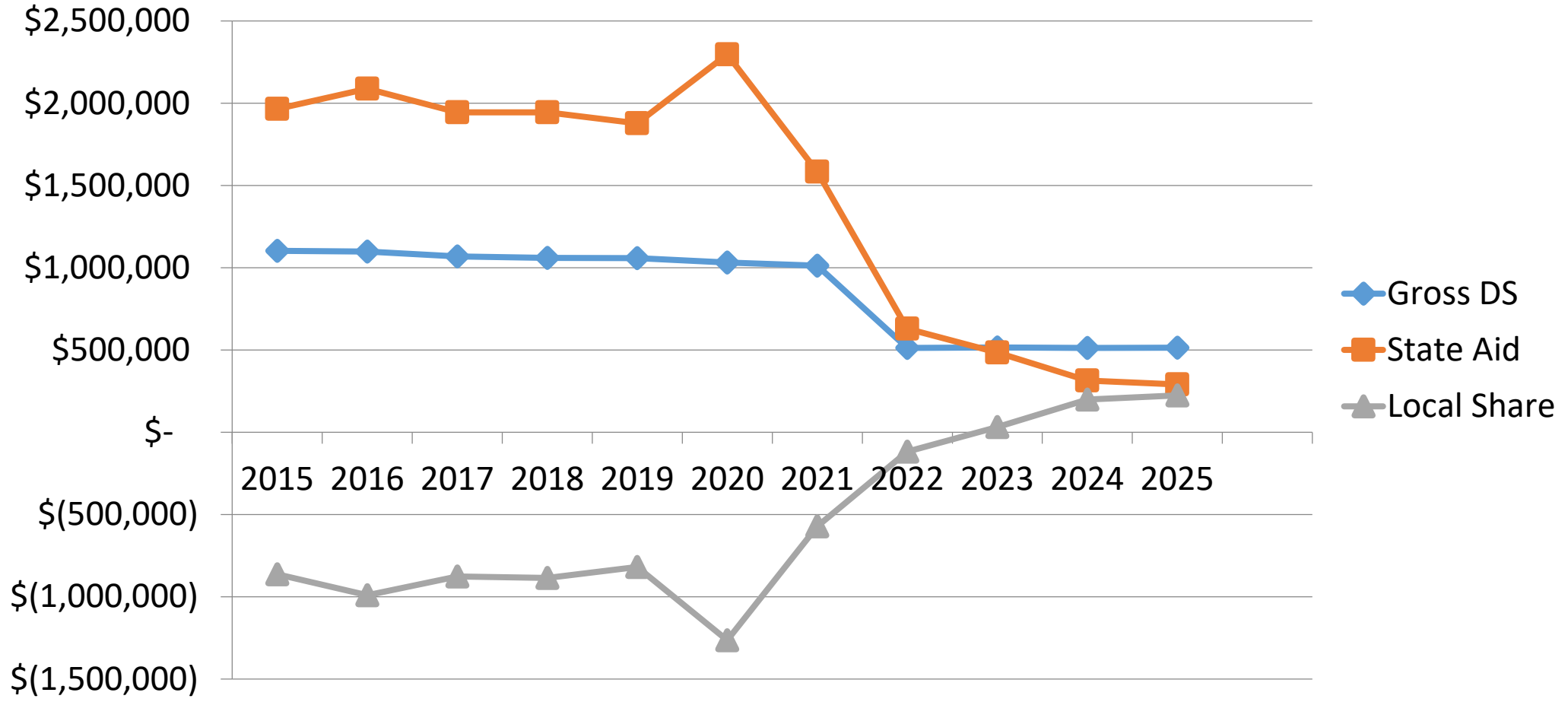
Reimbursed from 18-19 spending. Supports recurring costs

Capital Exclusion for Tax Cap Calculation

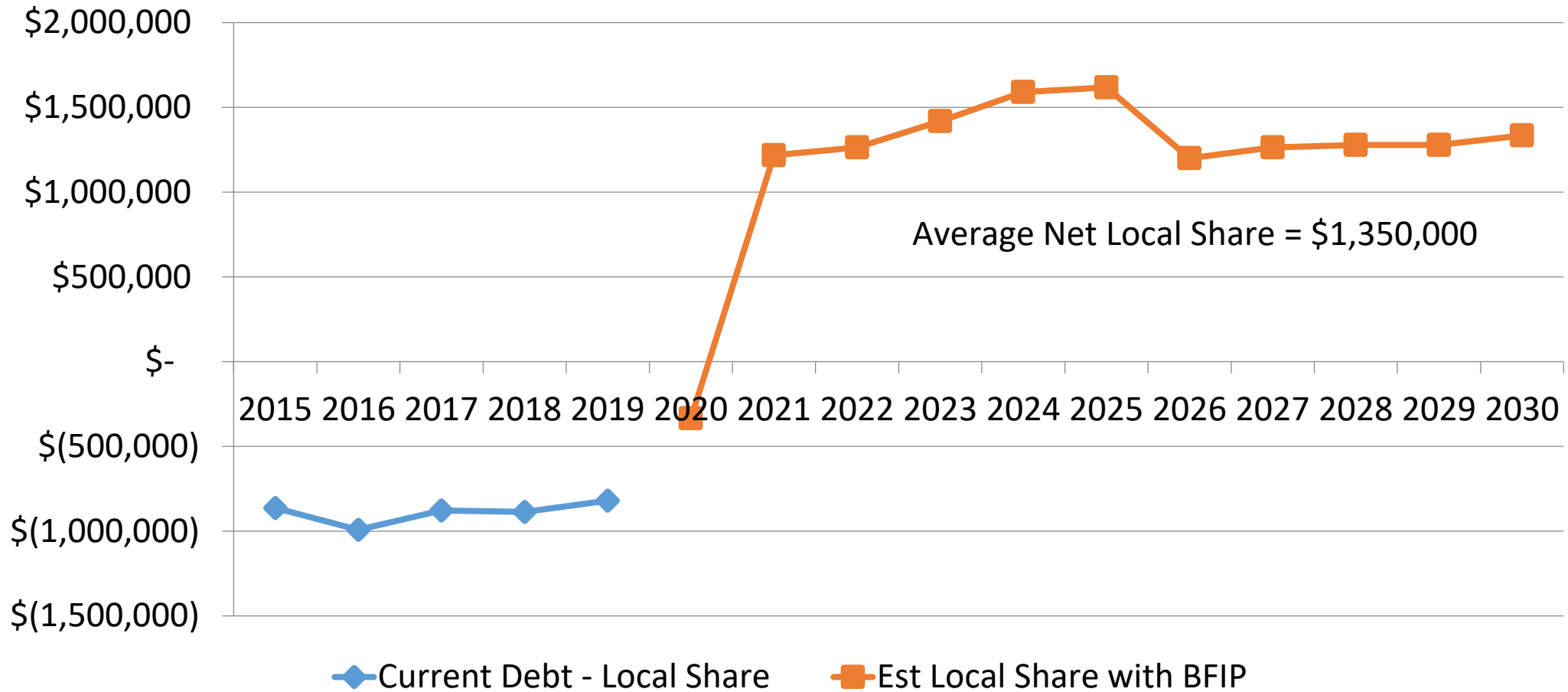
Capital Exclusion



Factors Impacting Capital- with BFIP



Projected Levy from Capital Project





Property Tax Cap Projections

NY- Tax Cap Calculator FY19

Tax Levy Limit Before Adjustments and Exclusions	2019	2020	2021	2022	2023	2024
Prior FYE Tax Levy	\$51,069,908	\$51,069,908	\$52,142,520	\$54,483,181	\$55,612,300	\$57,007,294
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	1.0023	1.0012	1.0015	1.0015	1.0015	1.0015
	2019	2020	2021	2022	2023	2024
PILOTS Receivable from Prior FYE	\$401,962	\$345,818	\$364,030	\$370,997	\$444,859	\$385,516
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Prior FYE	\$0	\$0	\$0	\$1,217,719	\$1,264,612	\$1,419,326
Allowable Growth Factor	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTS Receivable for Current FYE	\$345,818	\$364,030	\$370,997	\$444,859	\$385,516	\$220,974
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LEVY LIMIT BEFORE ADJUSTMENTS/EXCLUSIONS	\$52,275,299	\$52,142,520	\$53,265,462	\$54,347,688	\$55,587,969	\$56,959,201
	2019	2020	2021	2022	2023	2024
Exclusions						
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current FYE	\$0	\$0	\$1,217,719	\$1,264,612	\$1,419,326	\$1,591,121
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXCLUSIONS	\$0	\$0	\$1,217,719	\$1,264,612	\$1,419,326	\$1,591,121
TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS	\$52,275,299	\$52,142,520	\$54,483,181	\$55,612,300	\$57,007,295	\$58,550,322
	2019	2020	2021	2022	2023	2024
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Tax Levy \$	\$51,069,908	\$52,142,520	\$54,483,181	\$55,612,300	\$57,007,294	\$58,550,322
OR Proposed Tax Levy %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CURRENT FYE PROPOSED LEVY, \$ entry	\$51,069,908	\$52,142,520	\$54,483,181	\$55,612,300	\$57,007,294	\$58,550,322
CURRENT FYE PROPOSED LEVY, % entry	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	0.00%	2.10%	4.49%	2.07%	2.51%	2.71%
TAX LEVY LIMIT %	2.36%	2.10%	4.49%	2.07%	2.51%	2.71%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$1,205,391	\$0	\$0	\$0	\$1	\$0
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$0	\$1,072,612	\$2,340,661	\$1,129,119	\$1,394,994	\$1,543,028



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.

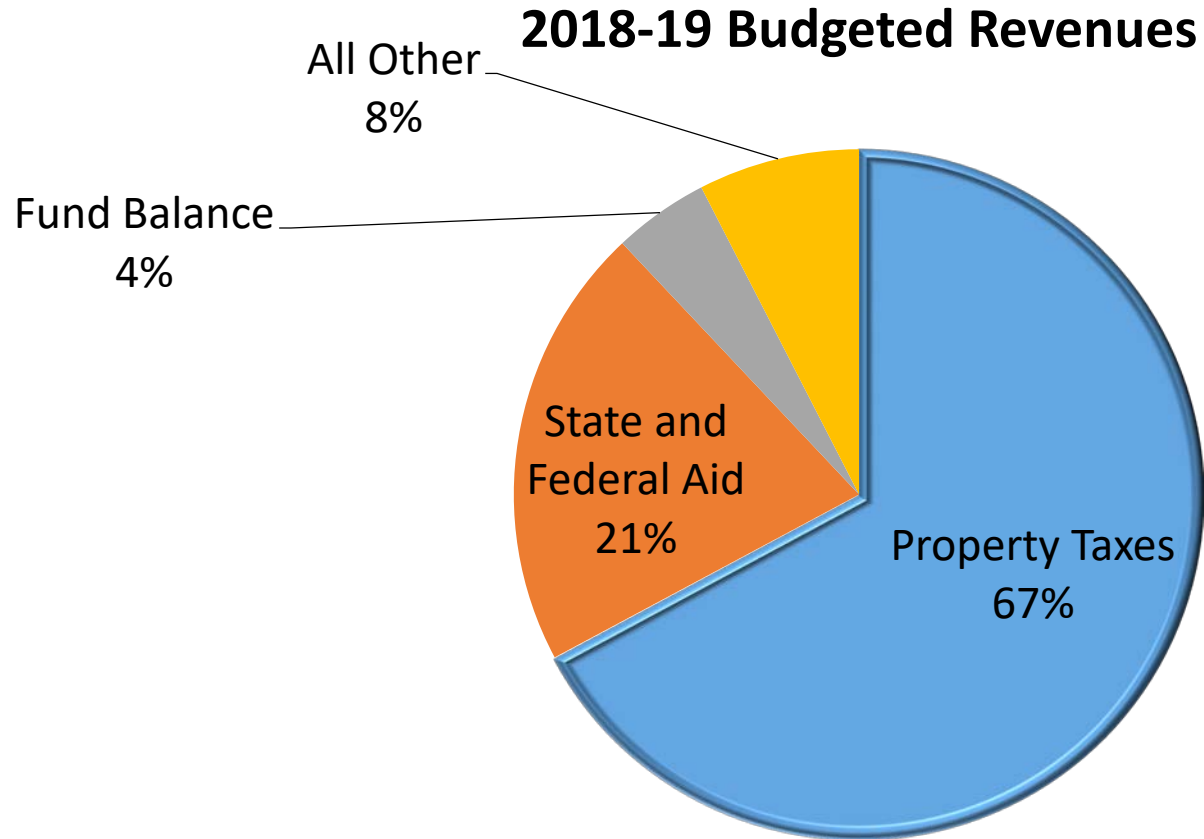
To qualify, homeowners must:

- 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.

Revenue Sources





Preliminary Budget and Impact on Tax Levy

		% Impact on Levy	Est \$ Impact
2018-19 Base Year Levy	\$52,275,299		
Projected Increase in Spending			
Operations	\$2,974,793	5.7%	\$302
Capital	\$1,378,444	2.6%	\$140
Total Prelim Spending Increase	\$4,353,237		
Less: Projected Revenue Increase from S	-\$429,149	-0.8%	-\$44
Net Levy Impact	\$56,199,387	7.5%	\$399

Fund Balance and Reserve Considerations

- District using \$800,000 of Retirement Reserve to fund 70% of ERS liability.
- Reliance on Appropriated Fund Balance
 - \$2,600,000 = 5.0% of the 2018-19 tax levy
 - Unrestricted = \$3,150,000
- 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	\$525,000
1% increase in Spending	\$780,000

GAP ANALYSIS

Target Change in Tax Levy	Allowable Change in Spending	Impact on Preliminary Budget: Additional Revenue/ (Reductions Required)
0% Change in Tax Levy	0.5%	(\$3,926,000)
1% Increase in Levy	1.2%	(\$3,401,000)
2% Increase in Levy	1.9%	(\$2,876,000)
3% Increase in Levy	2.5%	(\$2,351,000)
4% Increase in Levy	3.2%	(\$1,826,000)
5% Increase in Levy	3.9%	(\$1,301,000)
6% Increase in Levy	4.6%	(\$776,000)
7% Increase in Levy	5.2%	(\$251,000)

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 Thought Exchange to be launched next week
- Continue advocacy efforts