

BRIGHTON CENTRAL SCHOOL DISTRICT

Community Forum Budget Discussion

2019-20



March 6, 2019

Budget Development Process



Known Budget Factors

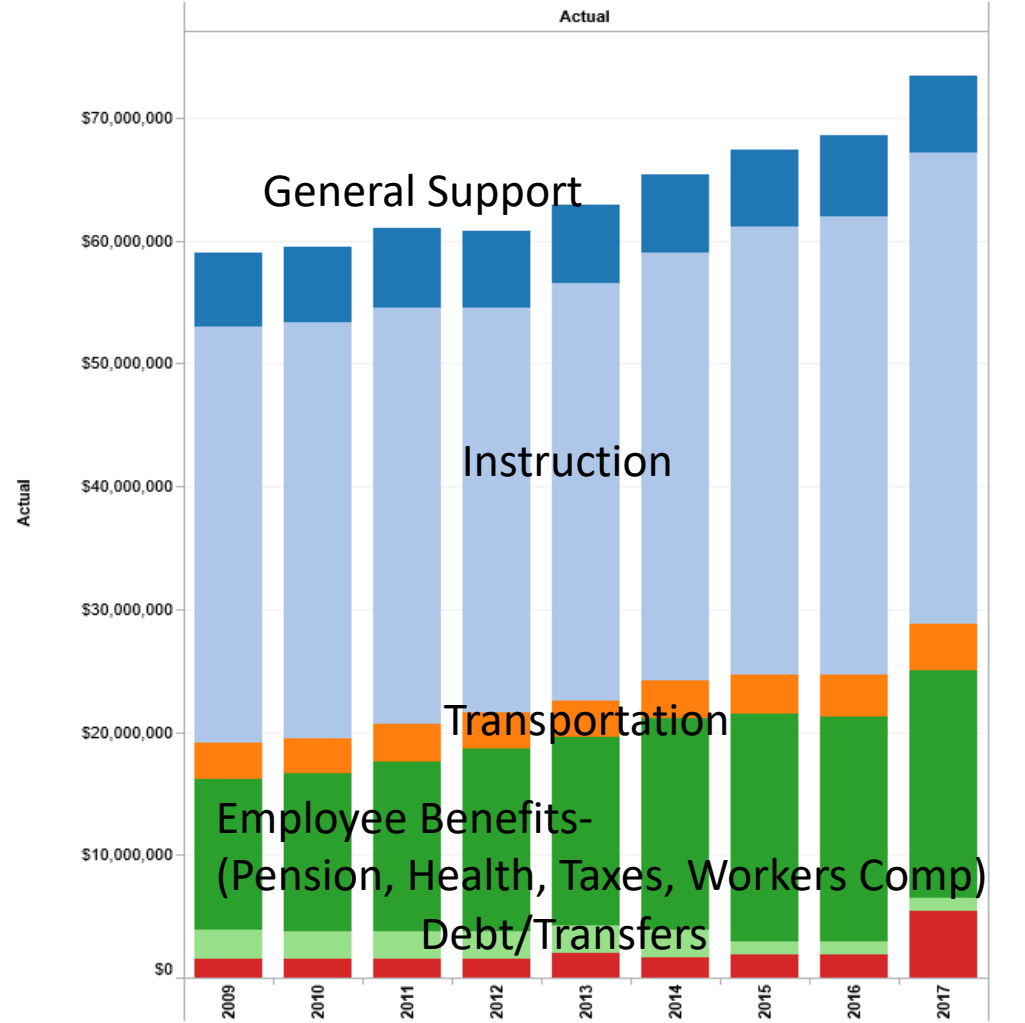
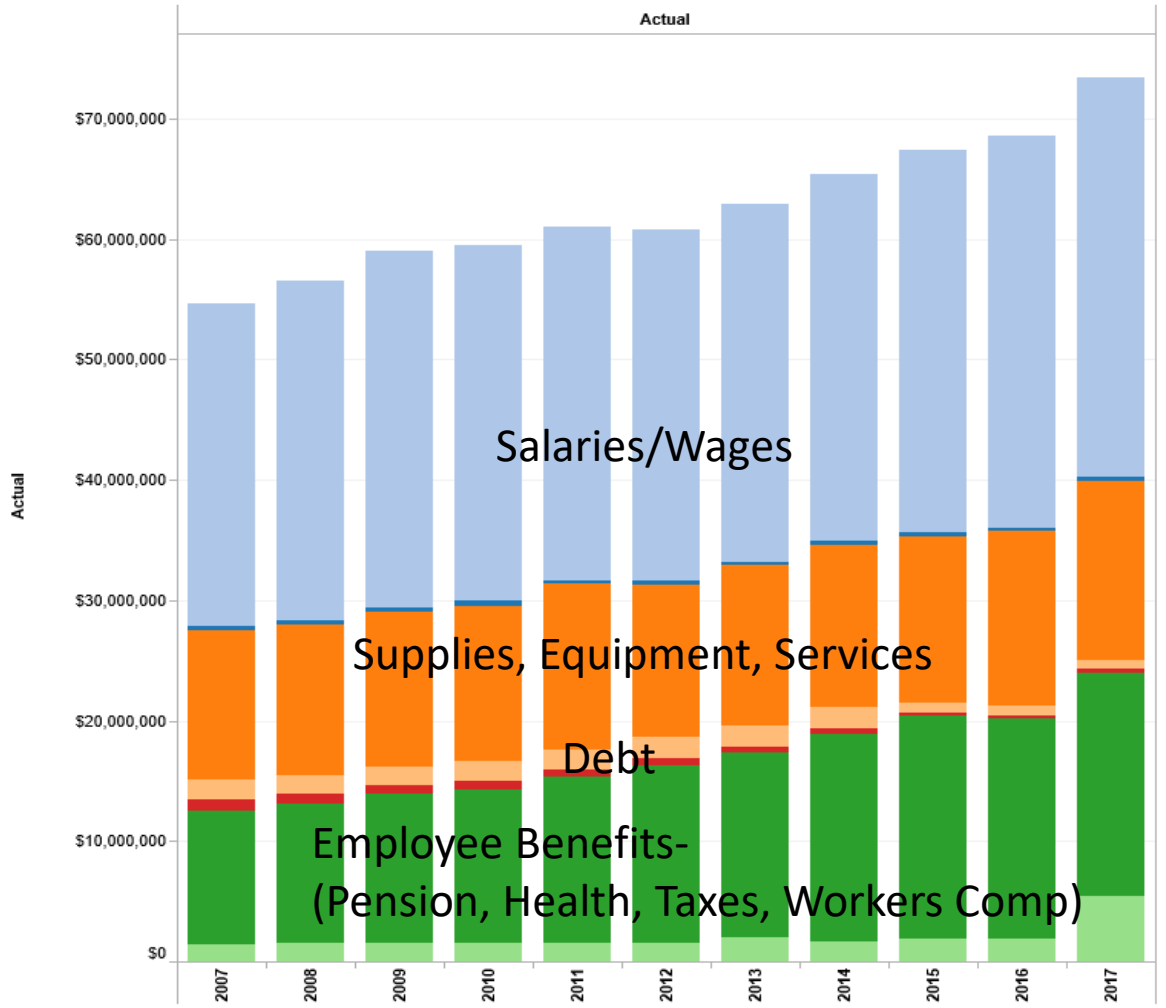
- **Increased staffing demands** due to enrollment, emerging student needs, and changing standards/regulations
- **Contractual labor increases** and changes to minimum wage
- *Modest health insurance rate increase in 18-19 allows funding for 19-20*
- *Pension contribution rates decrease*
- **Multi-year impact of capital project and implementation of Full-Day K.**
- Allowable tax levy growth at **2%**

Budget Factors

Factors to be Assessed

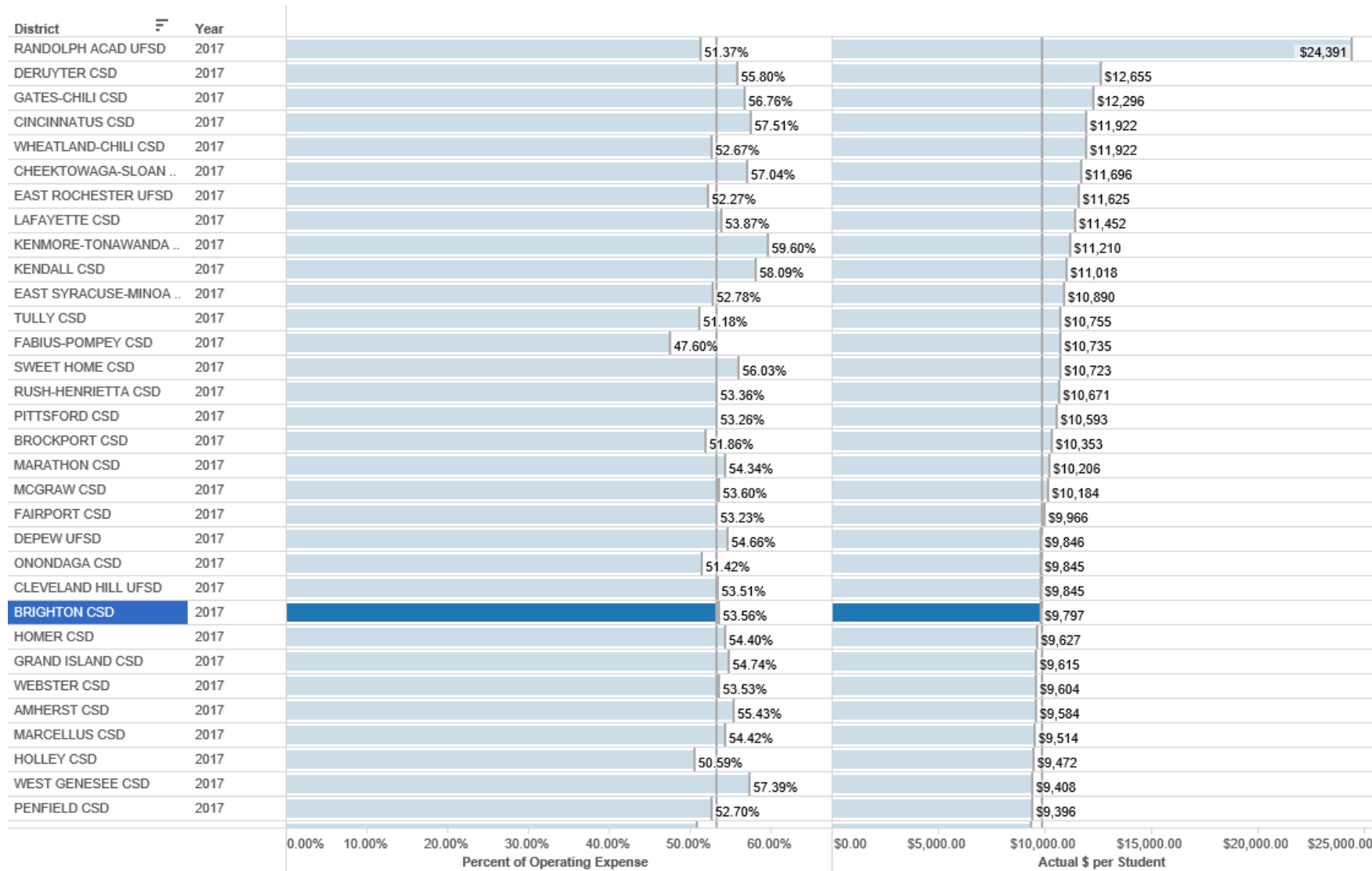
- Changes in mandated student services/education plans
- Student elective demands
- Changes in State and Federal Aids
 - Diversion of funds to poorer districts
 - New unfunded mandates??
 - Volatility in federal politics and funding reliability
- Financing strategies for capital project
 - Navigating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

Expenditure Trends – Object and Function



The bulk of our spending is where it should be---INSTRUCTION!

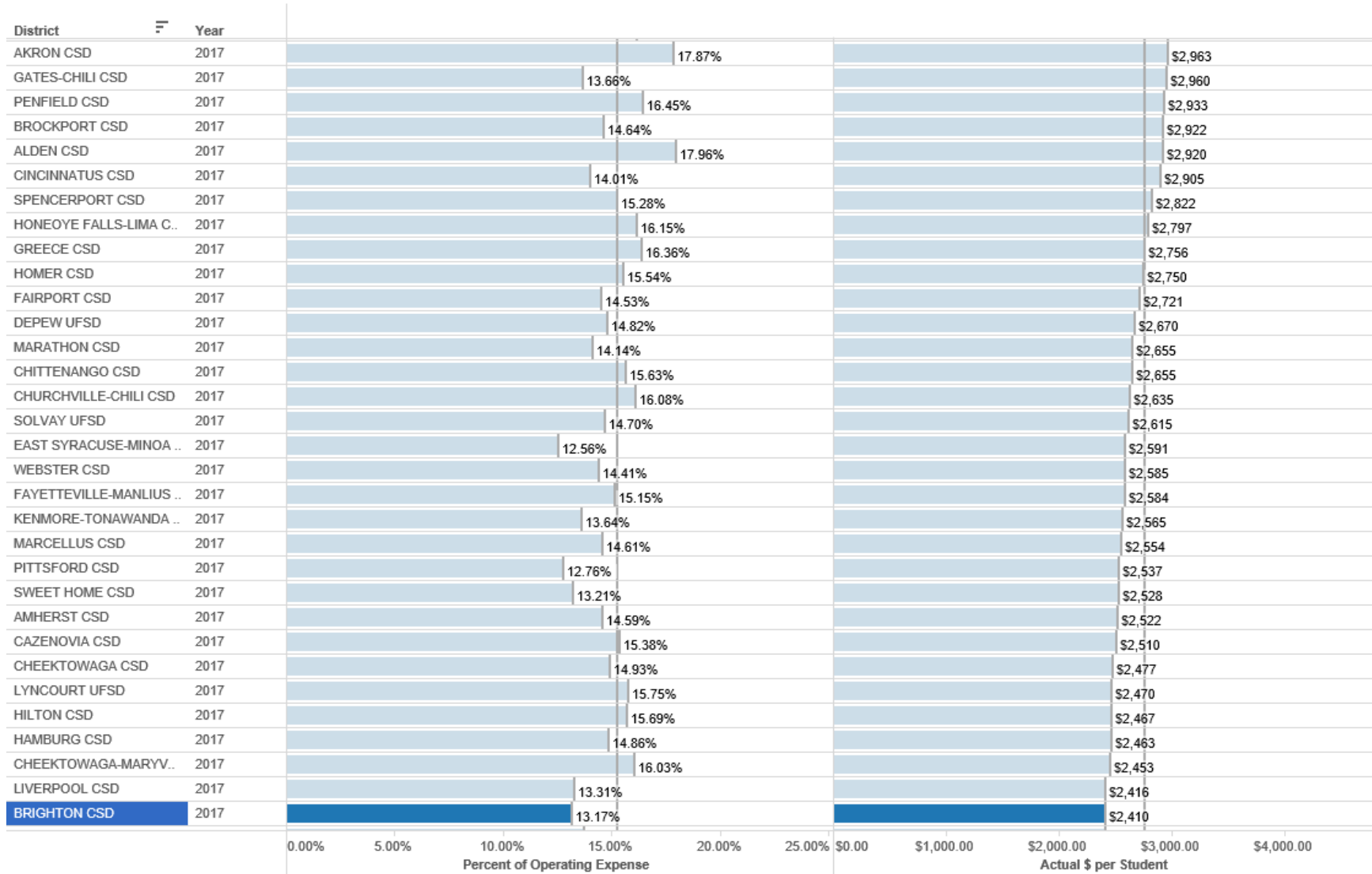
Regional Comparisons – Instruction



Sub Function

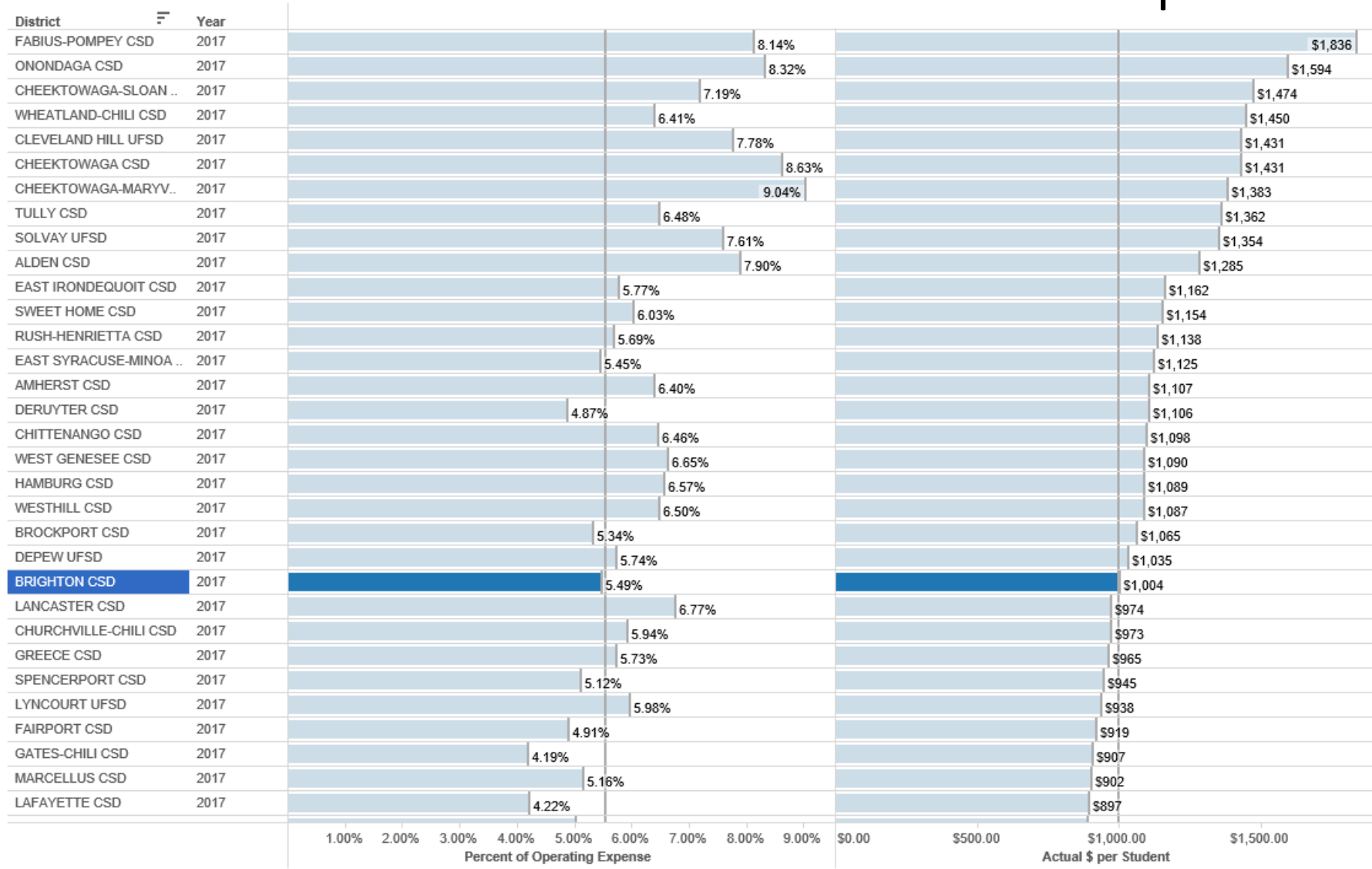
- (All)
- 1010-1099 Board of Education
- 1240-1240 Central Admin
- 1310-1399 Finance
- 1420-1499 Staff
- 1620-1699 Central Services
- 1710-1998 Special Items
- 2010-2099 Administration and Improvement
- 2110-2599 Teaching
- 2610-2699 Instructional Media
- 2805-2899 Pupil Services
- 5510-5510 District Transportation Services
- 5530-5530 Garage Building
- 5540-5599 Other

Regional Comparisons – Administration



- Sub Function**
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Regional Comparisons – Transportation and B&G



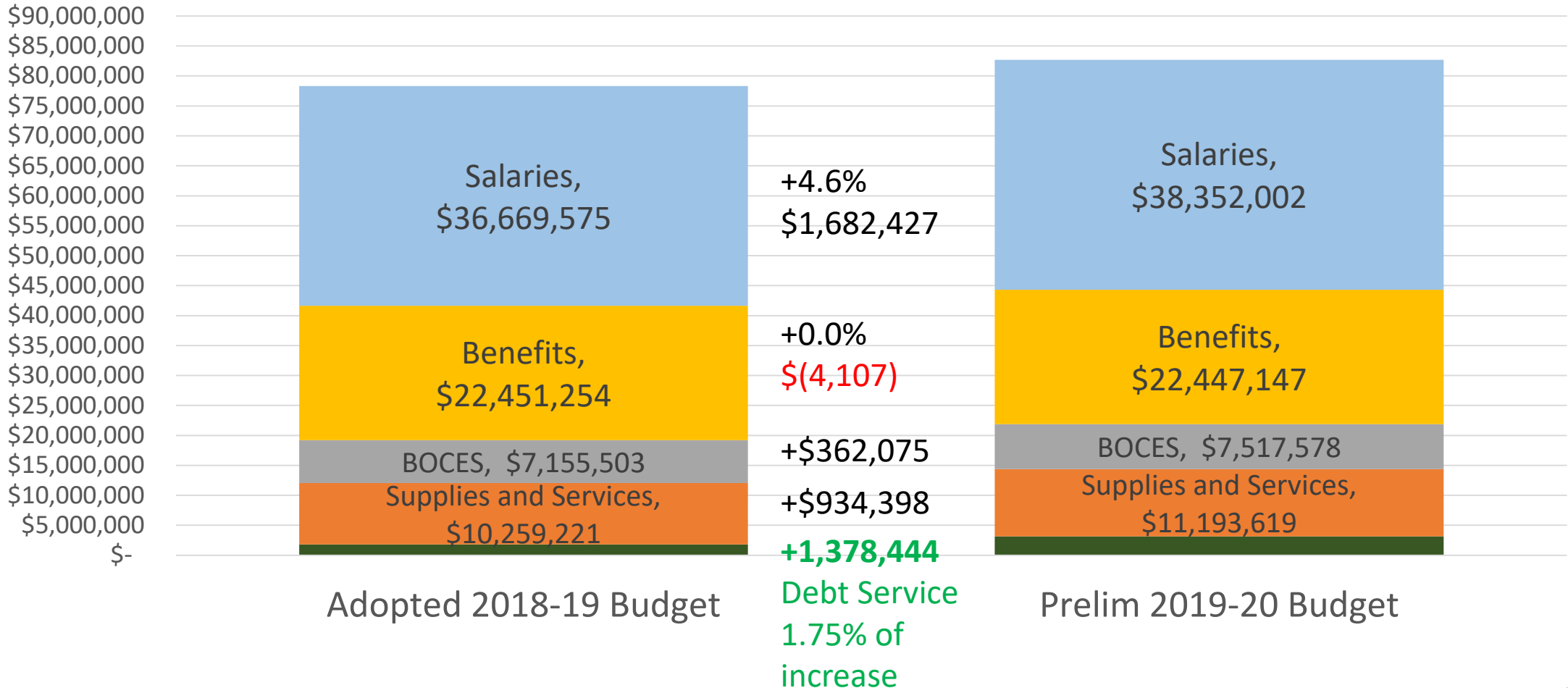
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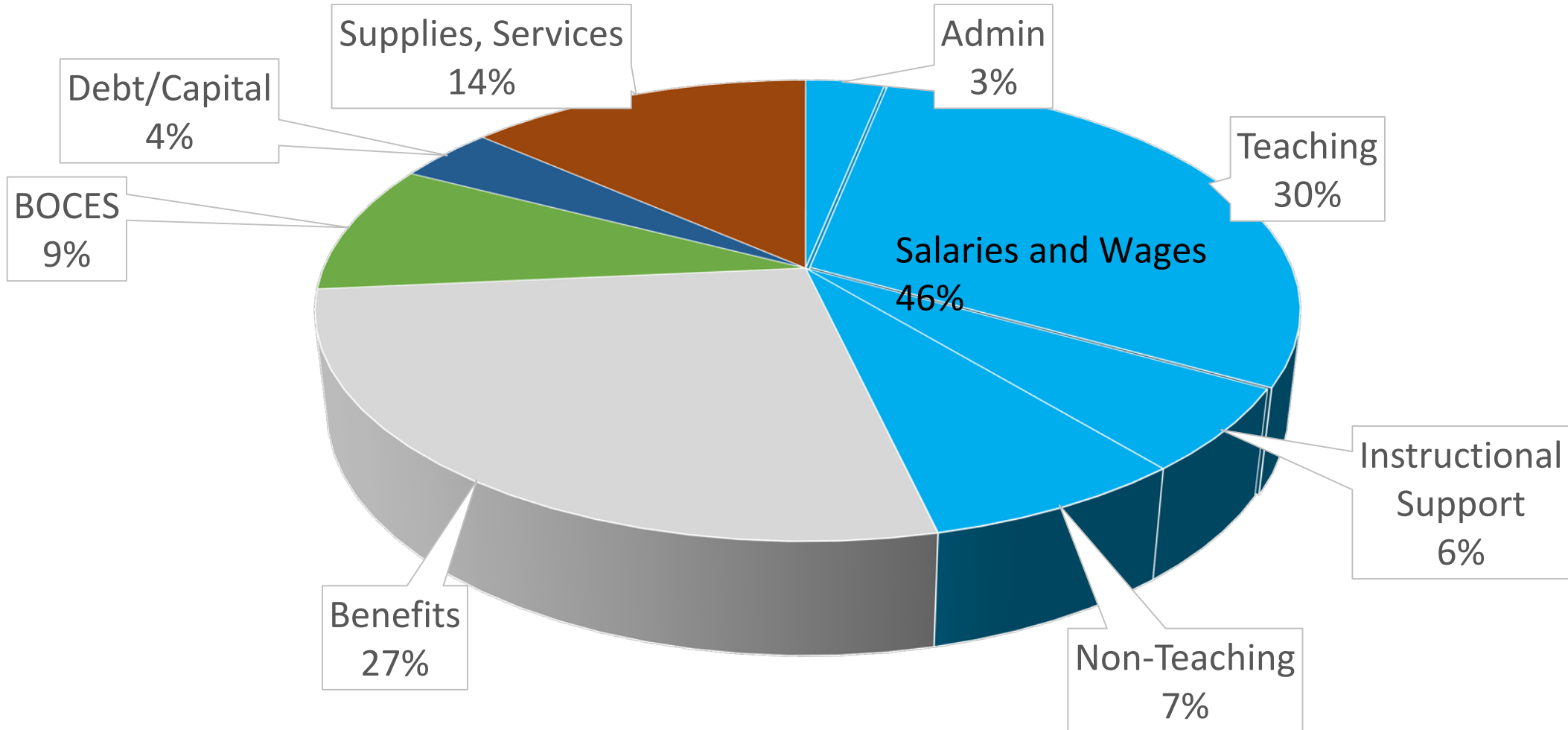


2018-19 Preliminary Budget (Object Summary)

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 (English as a New Language)**
 - 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

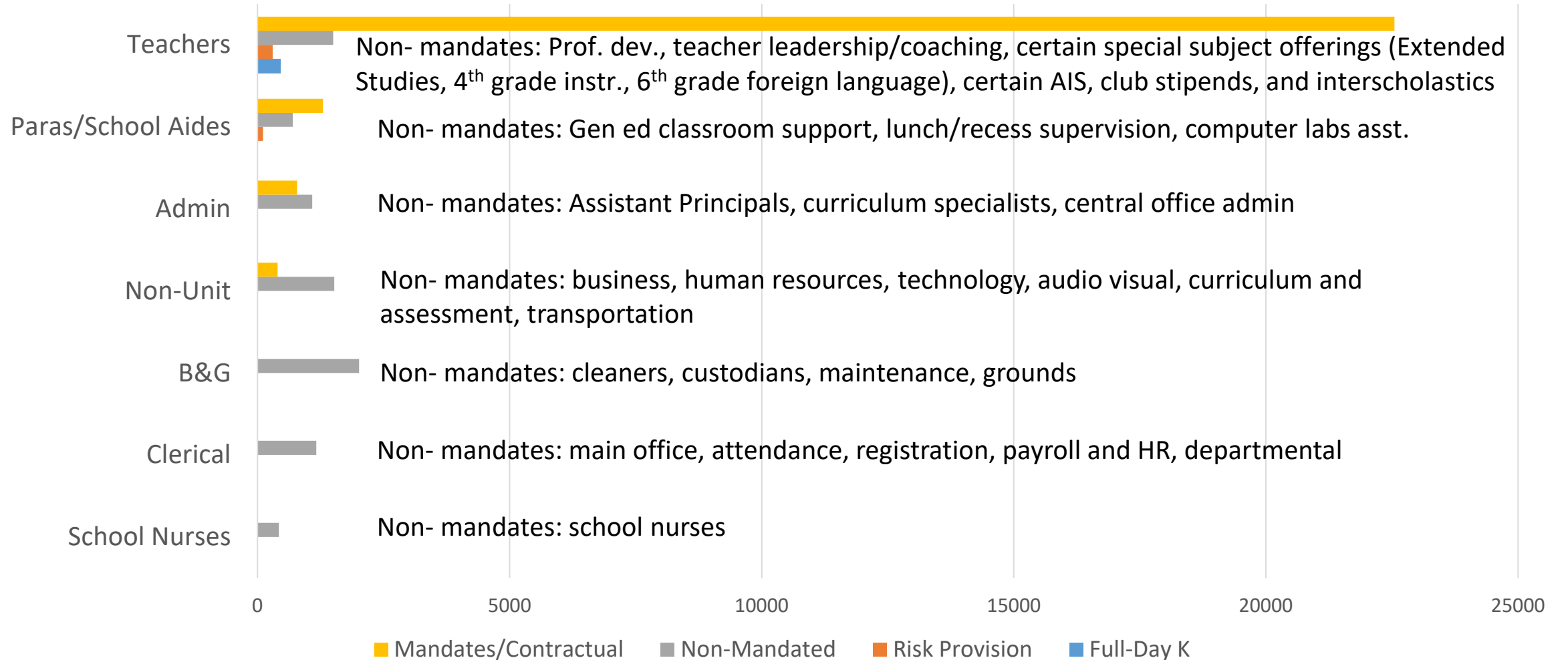
Elementary Class Size

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.

Distribution of Salaries



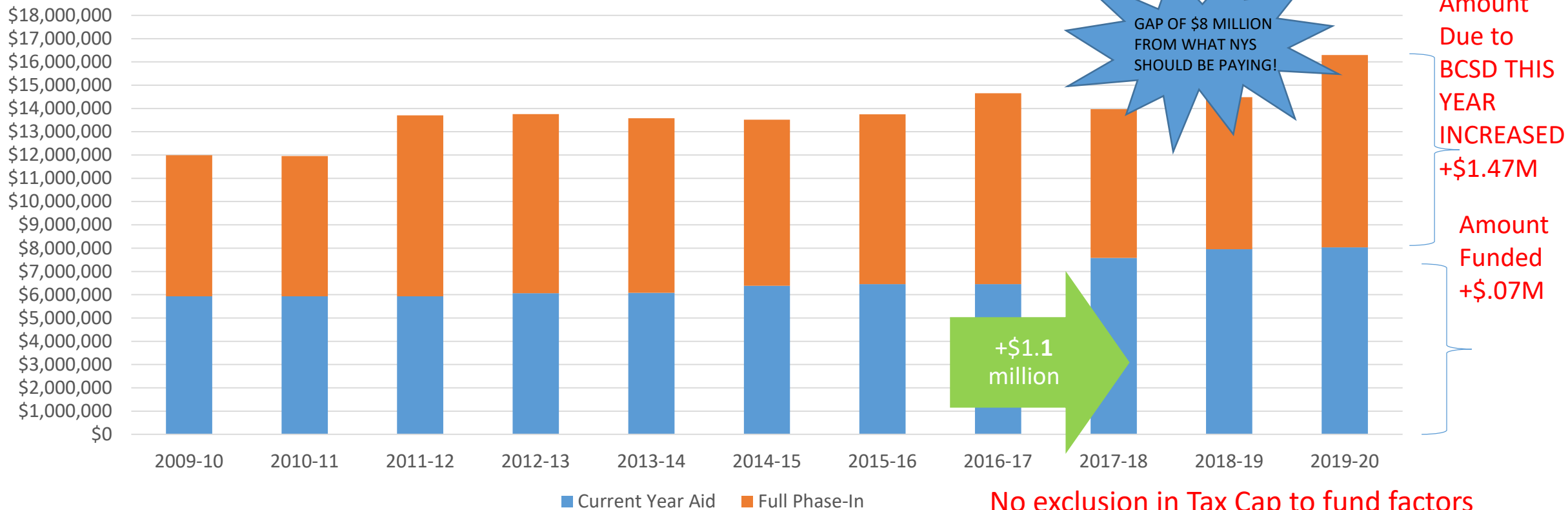
Other Budget Factors

	2018-19 Budget	2019-20 Prelim	\$ Change
Business Functions	\$ 212,862	\$ 216,994	\$ 4,132
Legal Fees	125,000	125,000	-
Utilities/Custodial	1,447,693	1,476,826	29,133
Maintenance Projects	410,257	410,149	(108)
Printing/Mailing	232,183	243,939	11,756
Insurances	265,097	272,257	7,160
Assessments and Dues	63,608	65,225	1,617
School Supplies and Materials	965,462	1,121,053	155,591
Charter School Tuitions	247,000	233,775	(13,225)
Spec Ed. Contracts/Tuitions	1,867,536	1,998,700	131,164
Health Services Paid to Other Districts	192,370	301,623	109,253
Contract Transportation	3,149,146	3,505,657	356,511
Debt Service/Transfers	1,795,000	3,173,444	1,378,444
All Other Supplies and Services	1,081,007	1,222,421	141,414
	\$ 12,054,221	\$ 14,367,063	\$ 2,312,842



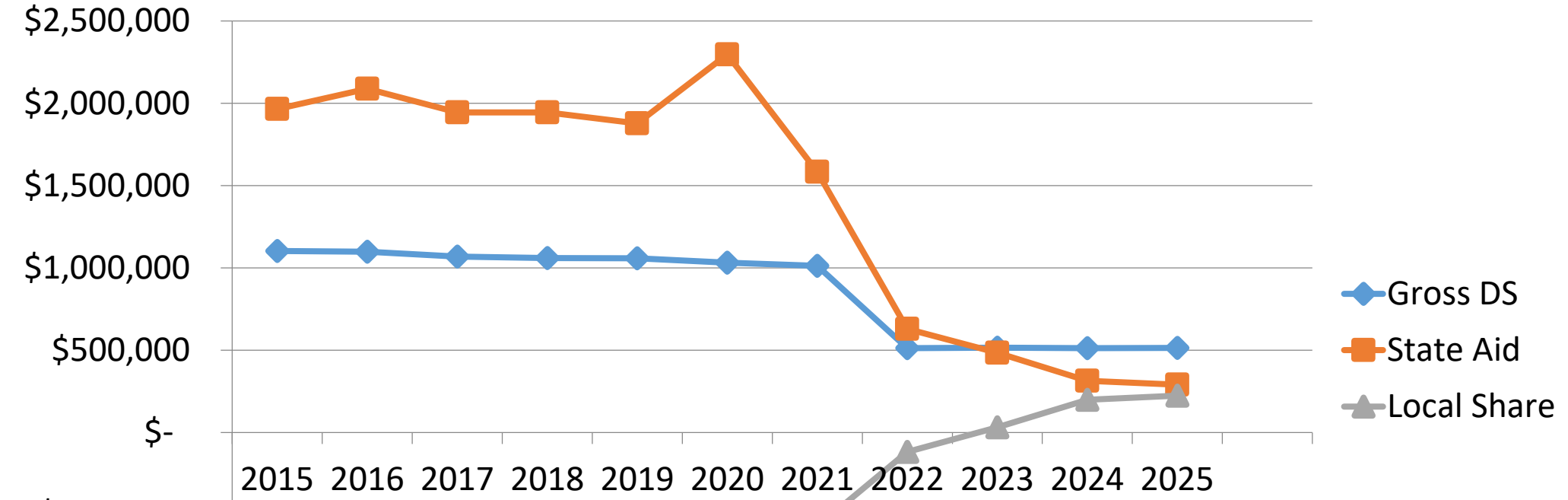
Foundation Aid

Foundation Aid History



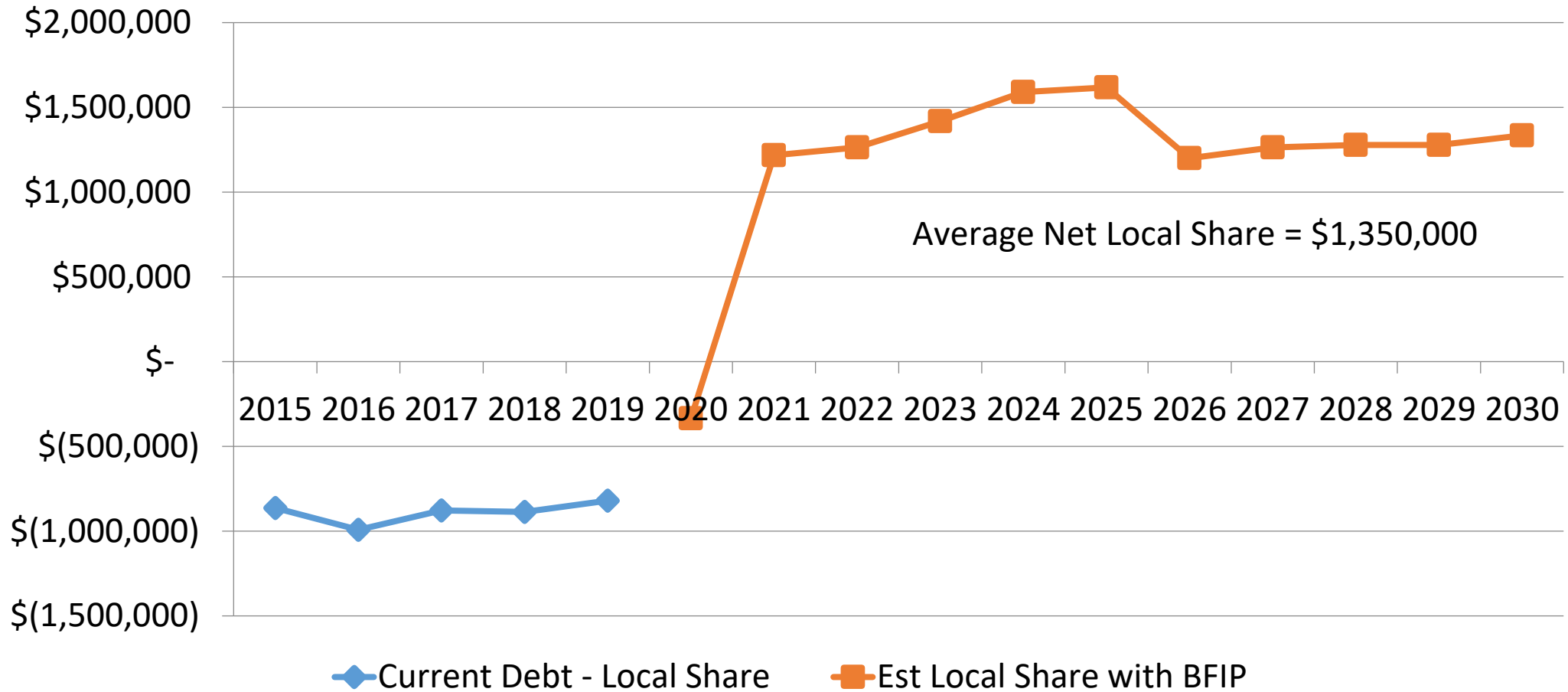
No exclusion in Tax Cap to fund factors that contribute to the amount due in Foundation Aid

Factors Impacting Capital- with BFIP



Building Aid in excess of debt has been used to fund programs during the years of the Gap Elimination Adjustments – capital revenue was paying for operation expense.

Projected Levy from Capital Project



Current Year Revenue Projections

Revenues
Supports 2.2% increase in Spending

Expenses
Preliminary Increases
+3.8% Operations
+1.8% Capital

Tax Levy Limit
+1.2M

Foundation Aid
+0.07M

All Other Revenue
+0.43M

Increased cost of mandates

Contractual increases

Debt Service for 2017
BFIP

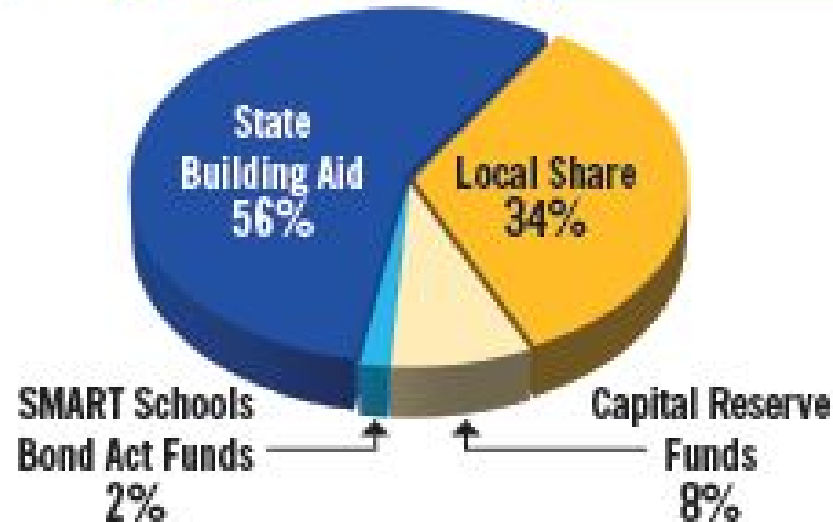
Desire to plan for future
debt and FDK

Preliminary Budget Gap is estimated at \$2.6 million to Comply with Tax Cap

Impact of Capital Project

Presented April 25, 2017

Project Financing



Facilities Improvement Plan

Average Tax Rate Impact per Household

Project Referendum Amount	\$64,996,500
Average Annual Tax Impact (before exemptions)	\$144

The estimated tax impact is based on a home assessed at \$200,000 and excludes any exemptions, including STAR savings.

Short-Term Strategies

- Reduce capital allocations earmarked for future debt - **\$800,000**
- Defer the planning for full-day kindergarten - **\$500,000**
- Implement hiring freeze – no new positions, no vacancies filled, **new positions required by mandate offset with reductions to non-mandates** - **\$350,000**
- Operating under contingent budget standards, eliminating certain equipment requests - **\$350,000**

These areas help close the gap TODAY

BUT

Will impact FUTURE budgets



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)	4%-5% would allow for operating budget to comply with cap and honor tax impact for 2017 Capital Project
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

- Understand consequences of any potential budget reductions. Get feedback from the community.
- 3/12: Review budget reduction strategies.
- 3/20: Community Budget Forum, 1pm, Board of Education Room
- 3/26: Finalize assumptions used in Executive proposal
- 4/9: Budget Adoption
- Throughout April: Budget presentations at PTSA, Faculty and Community Group Meetings
- 5/14: Budget Hearing
- 5/21: Budget Vote