

BRIGHTON CENTRAL SCHOOL DISTRICT

Budget Discussion

2020-21



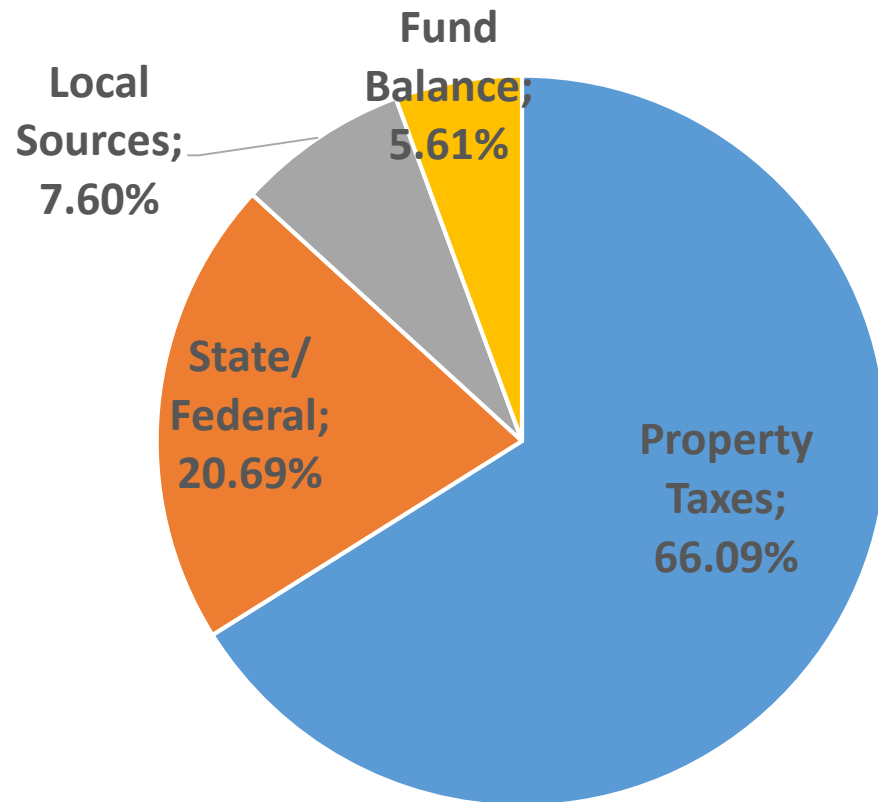
Presented to the
Board of Education
February 25, 2020

Budget Development Process

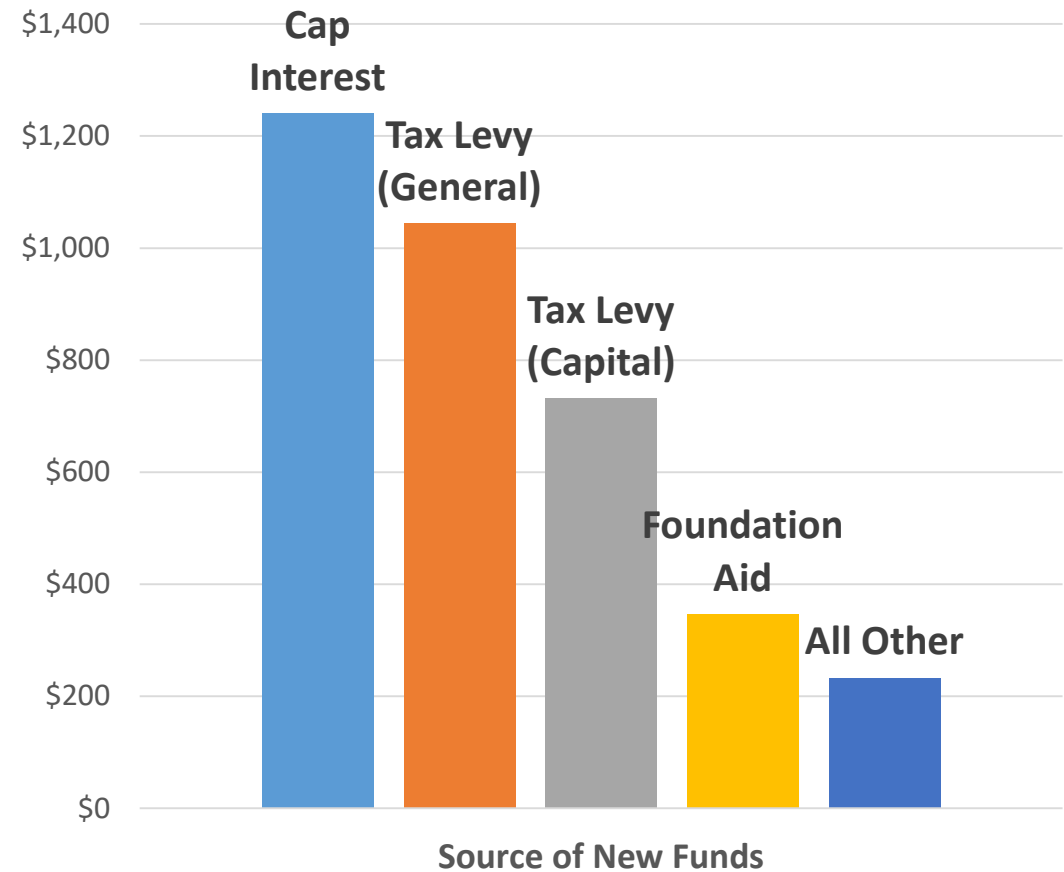


Projected Revenues

Projected Revenue Sources



Sources of New Funds = \$3.6 million



Tax Cap Calculation

Tax Levy Limit, Before Adjustments and Exclusions

✓ Real Property Tax Levy FYE 2020		\$53,498,730
✓ Tax Cap Reserve Offset from FYE 2019 Used to Reduce FYE 2020 Levy		\$0
✓ Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2020		---
✓ Tax Base Growth Factor		1.0016
✓ PILOTs Receivable FYE 2020		\$225,560
✓ Tort Exclusion Amount Claimed in FYE 2020		\$0
✓ Capital Tax Levy Exclusion FYE2020		\$0
✓ Allowable Levy Growth Factor Not 2%		1.0181
✓ PILOTs Receivable FYE 2021		\$240,893
✓ Available Carryover from FYE 2020		\$41

Tax Levy Limit Before Adjustments/Exclusions

\$54,542,995

+1.95%

Exclusions

✓ Tort Exclusion	Allowable exclusion	\$0
✓ Capital Tax Levy Exclusion FYE2021	only allows for 47% of	\$731,671
✓ Teachers' Retirement System Exclusion	change in net required	\$0
✓ Employees' Retirement System Exclusion	tax levy from capital.	\$0
Total Exclusions		\$731,671

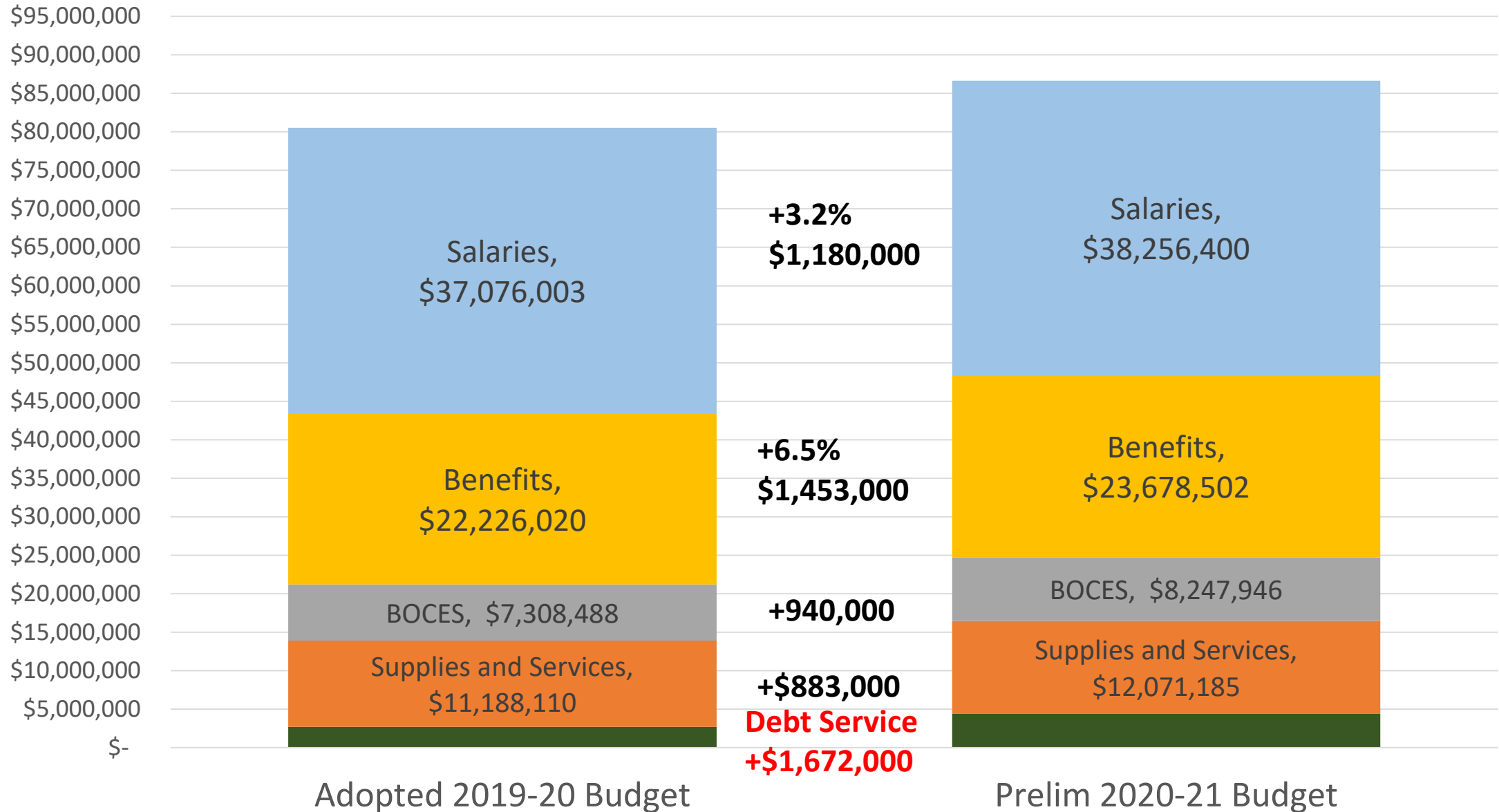
Your FYE 2021 Tax Levy Limit, Adjusted for Transfers plus Exclusions

\$55,274,666

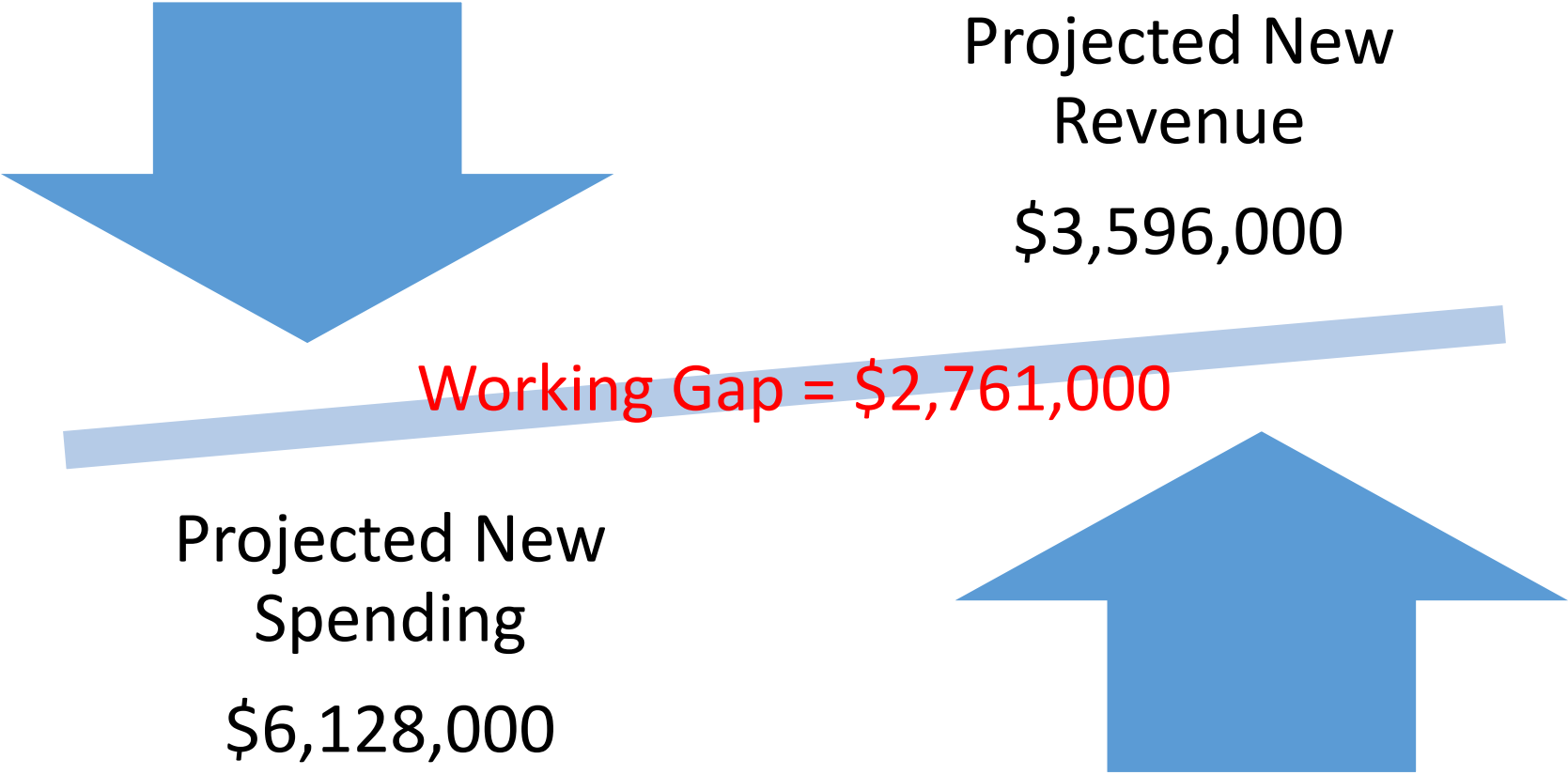
+3.33%



Preliminary Budget = \$86.6 million +7.6%
 (+5.5% Operations, 2.1% Capital)



Current Deficit





Factors Contributing to Increased Spending

Salaries	2019-20 Budget	2020-21 Prelim	Change	% Change
Admin	\$ 2,524,556	\$ 2,553,673	\$ 29,117	1.2%
Teaching/Supervision	26,991,482	29,524,517	2,533,035	9.4%
Non-Certificated	7,559,965	6,178,210	(1,381,755)	-18.3%
	\$ 37,076,003	\$ 38,256,400	\$ 1,180,397	3.2%

- 1) Adjusts teaching staff for mandated services
- 2) Restores and resumes planning for full-day K positions
- 3) Accounts for minimum wage increases and impact on compression for hourly staff
- 4) Rolls forward current contract provisions, less known breakage



Spending Factors, Con't

Health Insurances	\$14,207,849	\$15,511,939	\$1,304,090	9.2%
Retirement	4,273,284	4,448,264	174,980	4.1%
Payroll Taxes	3,013,690	3,076,630	62,940	2.1%
Other Benefits	731,197	641,669	(89,528)	-12.2%
	<u>\$ 22,226,020</u>	<u>\$ 23,678,502</u>	<u>\$ 1,452,482</u>	<u>6.5%</u>

Health Insurance –

- a) assumes medical inflation trend at 8.5%
- b) 2019-20 budget trending at deficit

Retirement – TRS pension rates increase to 10.25% plus growth in base wages

Payroll Taxes – increase commensurate with change in personnel costs, less adjustment for positive current year budget variance

Other Benefits – improved loss factor for workers' compensation risk ratios.

Spending Factors, Con't

BOCES	2019-20 Budget	2020-21 Prelim	Change	% Change
Admin Fees	\$650,825	\$651,940	\$1,115	0.2%
Business/Technology Services	958,930	1,139,553	180,623	18.8%
General Ed/Professional Dev.	620,357	610,615	(9,742)	-1.6%
Special Education	3,495,133	4,272,949	777,816	22.3%
Occ Education	443,970	436,966	(7,004)	-1.6%
Instructional Technology	413,922	367,437	(46,485)	-11.2%
Transportation	725,351	768,486	43,135	5.9%
	\$ 7,308,488	\$ 8,247,946	\$ 939,458	12.9%

- 1) Business/Technology Services reflect \$70,000 investment in cyber security to comply with Ed Law 2d and Shield Act
- 2) Funds technology department supplies and contracts previously paid for with Tech Reserve. As reserve draws down, all operational costs must be funded in General Fund.
- 3) Special Education reflects current enrollments and services and replenishes risk reserve based on emerging trends.
- 4) Transportation reflects current program mandates plus inflation adjustment as driver wages increase with recruitment challenges.



Spending Factors, Con't

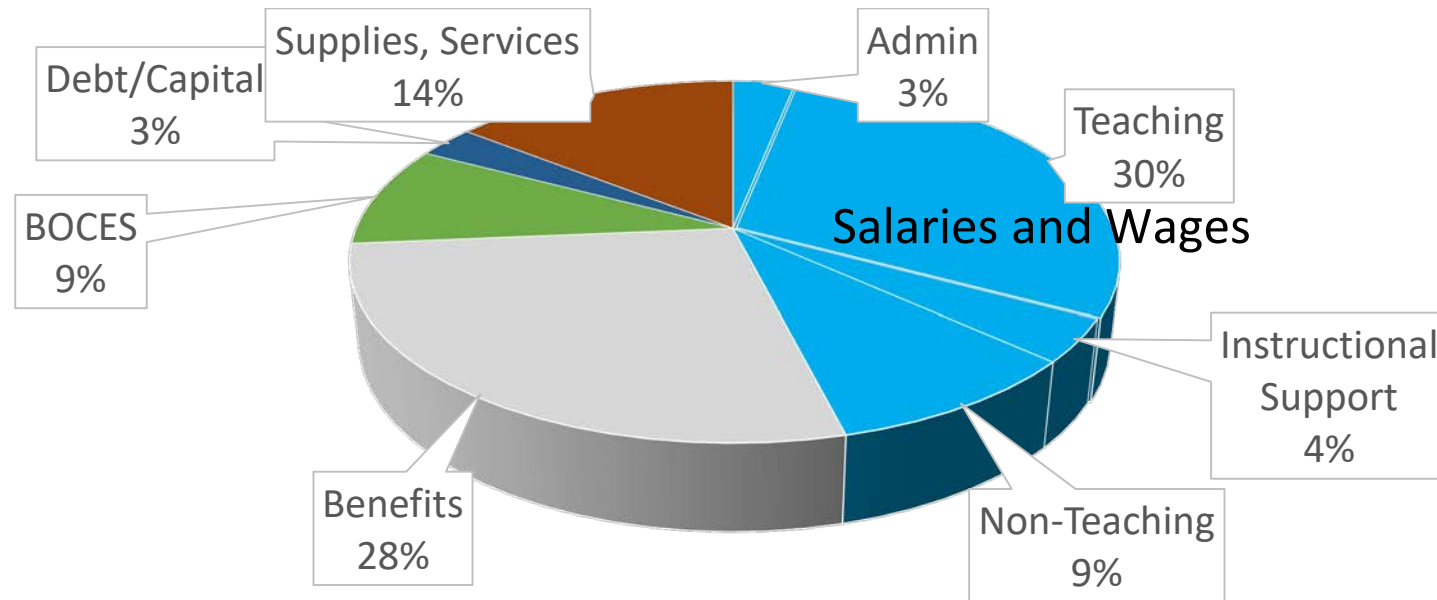
	2019-20 Budget	2020-21 Prelim	\$ Change	
Business Functions	\$120,983	\$131,361	\$10,378	Increase in audit contracts
Legal Fees	125,000	125,000	-	
Utilities/Custodial	1,471,652	1,395,507	(76,145)	Reflects updated usage and price trends
Maintenance Projects	365,135	509,191	144,056	Equipment request deferred
Printing/Mailing	247,934	241,262	(6,672)	
Insurances	272,257	250,944	(21,313)	
Assessments and Dues	65,225	74,899	9,674	
School Supplies and Materials	815,385	721,845	(93,540)	
Charter School Tuitions	223,775	265,124	41,349	Based on current enrollment
Spec Ed. Contracts/Tuitions	2,340,290	2,454,169	113,879	Based on current enrollment and trends
Health Services Paid to Other Districts	301,623	311,275	9,652	
Contract Transportation	3,458,060	3,985,380	527,320	Accounts for current year deficit from out-of-district runs and additional monitors
Debt Service/Transfers	2,723,444	4,395,567	1,672,123	Current debt service schedule
All Other Supplies/Contracts	1,380,791	1,605,228	224,437	Textbooks, professional dev., consulting
	<u>\$ 13,911,554</u>	<u>\$ 16,466,752</u>	<u>\$ 2,555,198</u>	

Short-Term Options

- Use additional fund balance to bridge gap until BFIP aid begins
 - Early State Aid release pending for CRPS and BHS scope items
 - Temporary revenue closes gap by \$900,000
- Defer the phase-in approach to funding full-day K
 - Utilize full day K conversion aid to initially fund permeant staffing
 - 100% of aid in year 1; 65% in year 2; 35% in year 3; 0% in year 4+
 - Estimated budget savings = \$375,000

Long-term Options

- Increase taxes beyond the allowable tax cap - 1% = \$535,000
- Expenditure reductions using proportioned and targeted approach focusing on discretionary spending/non-mandates:



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
 3. Understand and disclose consequences of spending reductions