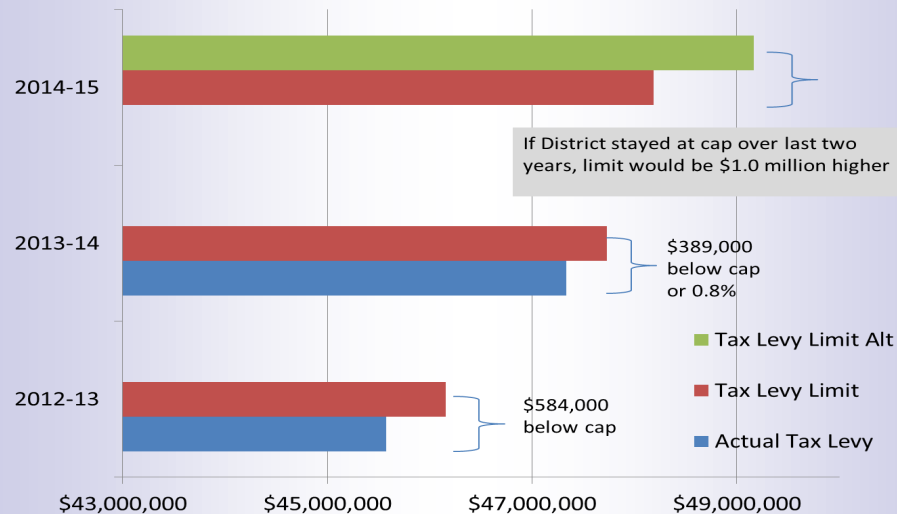




2014-15 Budget Development Update

NYS Tax Cap

The chart below shows that the District has stayed under the tax cap limit for the previous two years. In year one, the adopted budget resulted in 1.3% less taxes than could have otherwise been levied and 0.8% in year 2. However, the District does not get credit for this in future calculations as any growth factors are only applied to the taxes actually levied. If the District went to the cap over the last two years, our limit would be \$1.0 million higher.



Gap Elimination Adjustment

The Brighton Central School District has lost \$7.7 million over the last four budgets due to the implementation of the Gap Elimination Adjustment. The Governor's proposed budget would give Brighton back only \$61,000 of this amount. This would allow for less than 1/10th of 1% increase in spending.

The GEA impacts every district in the State. It is important to note that the Governor proposed to restore \$323 million in his budget. Of this, 72% was restored to the downstate region and large city school districts. The entire rest of the State will receive 28% of the amount restored.



Brighton Central School District 2014-15 Budget Development Update

Dear Students, Families, and Community Members:

As we develop the 2014-15 budget, the District is again faced with challenges in attempting to balance revenues and spending. In this pamphlet, we will discuss the significant challenges that the State has created for us on the revenue side and the real cost drivers Brighton contends with on an annual basis.

Simply put, **the State is not fulfilling its constitutional obligation to adequately fund our school system** and is limiting our ability to get revenue elsewhere through a tax cap. The State continues to withhold nearly \$2.0 million in aid due to Brighton Schools and is under-funding our Foundation Aid by \$5.8 million. **Our taxes could be 16% lower if the State is able to fulfill its commitments to fund our system fairly and equitably.**

Furthermore, the tax cap limit for the 2014-15 school year would not adequately fund our incremental costs and allow us to appropriately respond to increased enrollments at the elementary level.

The levy limit law was supposed to be accompanied by significant mandate relief that public schools have yet to receive. As a consequence, we, as an entire school system, must face the difficult decision of overriding the cap to generate the necessary revenue to fund our program or make significant reductions to programs and services to comply with the tax cap law.

The State is forcing you to choose between taxes and programs because it is withholding funds. Taxes could be frozen and all programs preserved if the State would fulfill its obligations. The District will always continue to look for efficiencies and consolidations, but cutting the equivalent of 1% of the tax levy cannot be done without impacting our educational program and the opportunities we provide to our students.

Sincerely,

Kevin C. Mcowan



2014-15 Budget Development Update

Revenues

- The Brighton Central School District relies on local property tax dollars to fund 70% of its General Fund Budget.
 - ⇒ Average tax levy increase for past five years = 2.2%
 - ⇒ The Property Tax Cap law would allow for a 1.81% increase in property taxes. This only funds a 1.25% increase in spending compared to mandated cost increases that exceed 2%.
 - ⇒ The District has levied \$982,000 less in taxes than the cap allowed for over the last two budgets.
- State aid funds 18% of the budget. The State has implemented the Gap Elimination Adjustment (GEA) to balance its budget. The GEA allows the State to withhold aid otherwise due to schools under the current formulas. Below is a summary of how much aid has been reduced to Brighton Schools:

School Year	GEA	GEA Restoration	Net GEA
2010-11	(2,152,429)	730,794	(1,421,635)
2011-12	(2,404,780)	167,289	(2,237,491)
2012-13	(2,181,099)	9,748	(2,171,351)
2013-14	(2,171,351)	234,383	(1,936,968)
Total 4 Year GEA Reduction:			(7,767,445)

- In 2007-08, the State adopted the Foundation Aid formula that would fairly and adequately fund public education. The State was unable to fund this commitment and has since frozen the formula and further deferred its obligation. Below is the impact to Brighton Schools:

Estimated Full Phase-in Aid for 2013-14 = \$11,953,413

Actual Foundation Aid Paid to Brighton in 2013-14 = \$6,082,043

State Aid Withheld = **<\$5,871,370>**
- Since 2009-10, all other revenues received by Brighton in the aggregate have increased less than 3%.



2014-15 Budget Development Update

Spending

- Public education is a service industry that requires dedicated and talented people. 76% of the preliminary budget is attributable to personnel costs.
- Each year the district performs a comprehensive staffing review to ensure that all staffing allocations are appropriate to support the programs and services valued by our community.

For 2014-15, increased enrollment and changing students may require us to add staff to maintain smaller class sizes and meet program mandates. Such a plan would call for the addition of more than 7 teaching positions. This alone would require a tax levy increase greater than 1.2% (of the 1.81% tax cap limit). Below is the impact on class size alone:

Teaching (K - 5)	2013-14			2014-15			Analysis	
	F.T.E.	Enroll	Ratio	F.T.E.	Enroll	Ratio	+1 tchr	-1 tchr
Kindergarten AM	6	114	19.0	6	105	17.50	15.0	21.0
Kindergarten PM	5	95	19.0	6	104	17.33	14.9	20.8
Grade 1	12	228	19.0	12	264	22.00	20.3	24.0
Grade 2	12	288	24.0	12	249	20.75	19.2	22.6
Grade 3	13	294	22.6	14	313	22.36	20.9	24.1
Grade 4	11	267	24.3	13	299	23.00	21.4	24.9
Grade 5	12	257	21.4	12	277	23.08	21.3	25.2
Total Gen Ed Tchrs	65.5	1,543		69	1,611			

- State pension obligations are a mandated payroll cost not negotiated by the district or staff members. Before any contractual obligations, the increase in rates requires a tax levy increase of 0.7% (of the 1.81% tax cap limit).
- Contractual salary increases also impact our ability to attract and retain high-quality staff. A 1% increase in salary impacts the tax levy 0.8% (of the 1.81% tax cap limit).
- In addition to payroll costs, the District contends with increases to utilities, insurance, printing, mailing, computing costs, and many other non-instructional costs required to support the education of our students. A 1% increase in such costs calls for a 0.5% increase in the tax levy.