

BRIGHTON CENTRAL SCHOOL DISTRICT

Proposed 2014-15 Budget



2014-15 Budget Proposal

	2014-15 Executive Budget	2014-15 Proposed Budget
A) Total Preliminary Budget Amount	\$69,868,796	\$69,868,796
% Change in Budget	2.02%	2.02%
B) Total Revenues Other Than Real Property Taxes (Excluding Tax Levy)	16,920,124	17,204,120
C) Amount of Fund Balance Used for Levy of Tax	3,768,873	3,768,873
D) Non-Property Tax Revenues (B+C)	20,688,997	20,972,993
E) Total Real Property Tax Levy (A-D)	\$49,179,799	\$48,895,803
2013-14 Real Property Tax Levy	\$47,333,782	\$47,333,782
% Increase in Real Property Tax Levy	3.90%	3.30%

The decrease in the property tax levy is directly attributable to the increase in state aid in the State's adopted budget.

Impact of the State Budget

Foundation Aid:

The State has frozen and deferred its obligations under the Foundation Aid formula since 2008-09. The result is that Brighton is receiving \$5.57 million less than it is entitled to.

This is a 11.8% shift to local property taxpayers.

Enacted State Budget/School Year	Current Year Aid	Full Phase-in Level	Estimated Full Phase-In Year
2007-08	\$5,164,815	\$9,971,236	2010-11
2008-09	\$5,930,584	\$10,301,549	2010-11
2009-10	\$5,930,584	\$11,988,793	2013-14
2010-11	\$5,930,584	\$11,953,413	2013-14
2011-12	\$5,930,584	\$13,702,323	2016-17
2012-13	\$6,063,652	\$13,758,124	2016-17
2013-14	\$6,082,043	\$13,582,950	2016-17
2014-15	\$6,379,058	\$13,582,950	2016-17

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
2014-15	-\$1,936,968	\$273,693	-\$1,663,275
			\$ (9,430,720)

This represents a 3.5% shift to local property taxpayers

GEA:

The Gap Elimination Adjustment is a tool used by the State to withhold money due to public school districts. The State's adopted budget gives Brighton back only \$273,693 of this amount. This allows us to reduce the local property tax burden by 0.6%.

WE COULD FREEZE TAXES IF THE STATE FULFILLED ITS OBLIGATION TO YOU AND YOUR CHILDREN

Other Implications of the State Budget

State Plan:

- \$1.5 billion in property tax rebates to homeowners in municipalities that propose budgets at or below the tax levy limit were included in the final agreement.
- Homeowners would receive an amount equal to the increase over the previous year up to the cap limit – **For Brighton that is \$84 for a home valued at \$200,000.**
- The second year would retain the requirements of the first year and add the need for a plan on reducing the tax levy by 1% each year in subsequent years.
- The plan does not provide credit for school districts that share services with other municipal governments.

District Response:

- **This is not a contract that we want to enter into with the State.**
- **If there were opportunities to consolidate programs and services without jeopardizing the integrity of our program, we would be doing that on our own initiative and would propose a budget under the cap.**
- **If the GEA was restored with the \$1.5 billion earmarked by State for property tax reductions, the District would have frozen taxes without any impact to our instructional program.**



Estimated Tax Impact

		Assessed Value					
Increment Cost*	Est. Tax Rate	\$100,000	\$ Change	\$200,000	\$ Change	\$300,000	\$ Change
Current Tax Bill	\$ 25.933	\$2,593		\$5,187		\$7,780	
Tax Levy Limit	1.81% \$ 26.35	\$2,635	\$ 42	\$5,270	\$84	\$7,905	\$125
Proposed Budget	3.30% \$ 26.74	\$2,674	\$ 80	\$5,347	\$161	\$8,021	\$241

To be eligible for the rebate, the District would be required to reduce spending by \$707,402. Spending reductions to this magnitude would impact our academic programs and services.

Same tax bill as 2013-14 may result in fewer programs and services

or

Risk future insolvency by increasing our reliance on fund balance and reserves. Current use of fund balance and reserves supports 5% of the proposed budget, and more than 7% of the tax levy.

This is not a sustainable strategy

Property Tax Cap

	2012-13	2013-14	2014-15
Base Year Levy	\$ 44,286,586	\$ 45,576,752	\$ 47,333,782
Tax Base Growth Factor	1.0097	1.000	1.0028
Base Year PILOT Revenue	961,334	454,044	502,672
Allowable Growth Factor	1.02	1.02	1.0146
Project PILOTS Receivable	464,814	395,861	480,935
Available Carryover	0	549,483	0
Tax Levy Limit Before Exclusions	\$ 46,126,236	\$ 47,105,034	\$ 48,188,401
Exclusion for Pension			
ERS	28,843	-	-
TRS	-	627,095	-
Total Exclusions	\$ 28,843	\$ 627,095	\$ -
Total Tax Levy Limit	\$ 46,155,079	\$ 47,732,129	\$ 48,188,401
Actual (Estimated) Levy	\$ 45,570,897	\$ 47,333,782	\$ 48,895,803
Amount (Under)/Over Cap	\$ (584,182)	\$ (398,347)	\$ 707,402
Cumulative Taxes Compared to Cap	-1.27%	-0.83%	\$ (275,127)

 Represents a 1.81% increase in tax levy and allows for a 1.25% increase in spending.

This Budget is About Choices

- We believe that the community would choose to:
 - Keep smaller class sizes at the elementary level
 - Maintain the availability of the wide variety of electives and AP courses at the secondary level
 - Expand our in-district special education and enrichment offerings
 - Preserve sports and music opportunities
 - Enable students to connect to school by offering wide range of extraclassroom activities
 - Provide paraprofessional hours to support students and provide access to instructional resources
 - Provide tutoring and academic intervention services beyond mandated levels

The Choice

1. Fully fund a budget that maintains and improves the quality of our educational system at an additional cost of approximately \$161 per year
2. Make reductions to programs and services to keep taxes flat and commit to future spending reductions subject to State approval

Note: Tax impact based on a home assessed at \$200,000



2014-15 BUDGET PROPOSAL

VOTE DATE MAY 20, 2014

Propositions

<u>General Fund</u>	<u>Estimated Budget Increase</u>	<u>Levy Increase</u>
<ul style="list-style-type: none">Budget Appropriation of \$69,868,796 to meet estimated expenditures for fiscal year 2014-15	2.02%	3.3%
<u>Capital Reserve Fund - General</u>		
Proposition 1: <ul style="list-style-type: none">Authorization to expend \$1,500,000 for capital improvements	\$0	\$0
	Funds are available from balance in Reserve	
<u>Capital Reserve Fund - Technology</u>		
Proposition 2: <ul style="list-style-type: none">Authorization to expend \$500,000 for technology purchases	\$0	\$0
	Funds are available from balance in Reserve	
<u>Bus Purchase Reserve</u>		
Proposition 3: <ul style="list-style-type: none">Authorize the creation of a bus purchase reserve	\$0	\$0

Next Steps

Tuesday, May 13, 2014: Budget Hearing, 7 p.m., Board Conference Room

Tuesday, May 20, 2014: School Board Candidate and Budget Vote
1150 Winton Road South, Brighton High School, Lower Level
7:00 a.m. – 9:00 p.m.