

2018-'19 Draft Revenue Overview

Board of Education

February 6, 2018

Budget Presentation #1



Presentation Objectives

- ▶ Review the Governor's school aid proposal as it relates to Pioneer
- ▶ Provide revenue perspective prior to expenditure presentations
- ▶ Discuss next steps in budget process

Governor's Budget Proposal Highlights

On January 16th the Governor presented his proposal for the 2018-19 state budget which includes a total of \$26.38 billion in state support for public schools which represents a \$769 million (3.0%) increase from the current year.

▶ **Foundation Aid** - \$17.5 billion (increase of \$338 million, \$288 increase net of Community Schools Set-Aside). Use of a modified formula to distribute aid to schools.

- Represents over 66% of total school support.

▶ **Community Schools Aid Set-Aside** - \$200 million (increase of \$50 million). Provided to expand support for the transformation of schools within certain high needs districts into community hubs.

- Must be utilized on new initiatives.

Governor's Highlights (cont.)

- ▶ **Public & Private Excess Cost Aid** - No formula change proposed.
- ▶ **BOCES Aid** - No formula change proposed.
- ▶ **Transportation Aid** - No formula change proposed.
- ▶ **Building Aid/ Reorganization Incentive Building Aid** - No formula change proposed.
- ▶ **Textbook, Software, Library and Computer Hardware Aid** - All aid continued under current law.
- ▶ **Universal Pre-k** - No anticipated change for Pioneer.
 - \$15 million allocated for Expanded Pre-k for 3 & 4 year olds for pupils within high-need school districts.
- ▶ **Statewide Universal Full-Day Pre K** - No change in funding.

Governor's Highlights (cont.)

▶ **Aid Caps**— District's state aid, exclusive of Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid, would be capped at the total listed on the Executive Budget Aid Run.

- Beginning with claims for the 2017-18 aid year, and thereafter, there will be no prior year adjustments. Any changes to state aid data would have to be submitted by Nov. 1st of the year in which the aid is paid.
- Beginning in 2019-20 a 2% cap in growth would be applied for expensed based aids such as Building, Transportation, and BOCES Aid.

▶ **Proposed Changes to STAR Exemption Program** – The Governor proposes the following:

- Cap the annual growth in Basic & Enhanced STAR exemption at 0%

** (currently at 2%)

Governor's Highlights (cont.)

- ▶ **Statewide Ban to Lunch Shaming** – Proposal bans lunch shaming practices in schools.
 - Prevent districts from serving alternative lunches to students who cannot afford to pay for lunch. Schools would be required to provide students with a regular meal.
 - Schools would be required to provide a plan which includes a notification process to parent's if their child's school meal account balance is low, communication procedures to support families' enrollment in free or reduced priced lunches programs, and with details outlining the districts unpaid meal policies.

- ▶ **Breakfast After the Bell**– This legislation would impact districts which have more than 70% of their student population listed as eligible for free or reduced price lunch.
 - Would not impact Pioneer
 - Schools would be required to provide breakfast after the school day has started in an effort to improve access to breakfast for low income students.

- ▶ **School Level Funding Plans**– Executive Budget would require districts with 9 or more schools receiving over 50% of their total revenue fro State aid to submit school level funding plans outlining how the aid is being distributed to individual schools.
 - Not applicable to Pioneer

Universal Pre K

	Enrollment		Funding	
	Half Day	Full Day	Half Day	Full Day
2013-14	140	0	\$497,513	\$0
2014-15	50	76	\$497,513	\$392,889
2015-16	41	93	\$497,513	\$392,889
2016-17	0	160	\$497,513	\$392,889
2017-18	0	124	\$497,513	\$392,889

- ▶ Pioneer is funded up to 122 students.

Property Tax Levy Cap

A. Total Real Property Tax Levy for base year	\$ 12,483,023	
B. Excess Levy in Reserve (N/A for 2017-18)	\$ -	
C. Tax Levy subtotal (A - B)	\$ 12,483,023	
D. Tax Base Growth Factor (min of 1.0)	1.0056	
E. Adjusted Tax Levy subtotal (C x D)	\$ 12,552,928	
F. Add: Base Year PILOTS	\$ 197,429	
G. Base Year Levy plus PILOTS	\$ 12,750,357	
H. Base year Torts and Judgements > 5%	\$ -	
I. Base year Capital Exp. Net of aid	\$ 229,866	
J. Total base year Torts and Capital exp.	\$ 229,866	
K. Levy less base year Torts and Capital (G - J)	\$ 12,520,491	
L. Allowable Levy Growth Factor based on CPI (max of 2%)	1.020000	
M. Levy including levy Growth Factor	\$ 12,770,901	
N. Budget year PILOT receivables	\$ 215,770	
O. Levy less budget year PILOTS (M - N)	\$ 12,555,131	
P. Eligible Carry Over from base year budget (N/A 2014-15)	\$ -	
Q. Tax Levy Limit - before Exclusions (O + P)	\$ 12,555,131	0.58%
<u>Budget Year Exclusions</u>		
R. Capital Expenditures net of aid	\$ 174,576	
S. Pension Expenditures above 2%	\$ -	
T. Court orders/Judgements in > 5% base year levy	\$ -	
U. Total Exclusions (R + S + T)	\$ 174,576	
Total Tax Levy including Exclusions (Q + U)	\$ 12,729,707	1.98%

Revenue Preview

DESCRIPTION	BUDGET	BUDGET	CHANGE (\$)	CHANGE (%)
	2017-18	2018-19		
PROPERTY TAX LEVY	\$12,483,023	\$12,729,707	\$246,684	1.98%
OTHER PAYMENTS IN LIEU OF	60,000	60,000	0	0.00%
INTEREST & PENALTIES ON	5,000	5,000	0	0.00%
Total Property Tax Items:	\$12,548,023	\$12,794,707	\$246,684	1.97%
ADMISSIONS	8,500	8,500	0	0.00%
DAY SCHOOL TUITION	195,000	195,000	0	0.00%
INTEREST AND EARNINGS	80,000	80,000	0	0.00%
RENTAL OF REAL PROPERTY	500	500	0	0.00%
RENTAL OF PROPERTY - (BOCES)	150,000	150,000	0	0.00%
INSTRUMENT RENTAL	3,500	3,500	0	0.00%
REFUNDS - PRIOR YR. BOCES	105,000	105,000	0	0.00%
UNCLASSIFIED	170,000	170,000	0	0.00%
MEDICAID REIMBURSEMENT	165,000	165,000	0	0.00%
DEBT SERVICE RESERVE	500,000	500,000	0	0.00%
EMPLOYEE BENEFIT ACCRUED LIABILITY RESERVE	70,000	70,000	0	0.00%
ASSIGNED FUND BALANCE	3,365,000	3,300,000	-65,000	-1.93%
Total Other Local Share:	\$4,812,500	\$4,747,500	-\$65,000	-1.35%

Revenue Preview (cont.)

DESCRIPTION	BUDGET 2017-18	BUDGET 2018-19	CHANGE (\$)	CHANGE (%)
STATE AID				
FOUNDATION AID	\$24,800,830	\$25,097,331	\$296,501	1.2%
COMMUNITY SCHOOLS AID	\$210,309	\$210,306	-\$3	-
BOCES	3,129,692	3,223,583	93,891	3.0%
EXCESS COST (PUBLIC & PRIVATE)	925,957	973,926	47,969	5.2%
HARDWARE & TECHNOLOGY	42,914	42,914	0	0.0%
SOFTWARE, LIBRARY, TEXTBOOK	192,724	192,724	0	0.0%
TRANSPORTATION	2,867,400	2,862,400	-5,000	-0.2%
Total State Aid Net of Building Aid:	\$32,169,826	\$32,603,184	\$433,358	1.3%
BUILDING	5,086,833	5,721,560	634,727	12.5%
Total State Aid:	\$37,256,659	\$38,324,744	\$1,068,085	2.9%
TOTAL BUDGETED REVENUE	\$54,617,182	\$55,866,951	\$1,249,769	2.3%

Important Reporting Dates

- ▶ On or before March 1st
 - ◆ District submits report to Comptroller the tax levy cap limit plus exclusions
 - ◆ Must also include whether the district will attempt to override the cap (non binding)
- ▶ 45 days before public vote (Legal Notice)
 - ◆ Communicates date, time, and location of school budget hearing and vote
 - ◆ Districts will have to specify whether they will seek a vote that exceeds the tax levy cap limit
- ▶ Property tax report card
 - ◆ To be submitted to SED and newspapers of general circulation the day after budget adoption

Gameplan...

- ▶ Focusing on sustaining and/or realigning programming
 - ◆ Cost out a “rollover” budget
- ▶ Await final budget figures
 - ◆ Legislative proposals
 - ◆ Final State Budget (April 1st deadline)
- ▶ Make final adjustments



Questions / Comments

