



# Pittsford Central School District

Legislative Budget for Board of Education Adoption  
Board of Education Meeting  
April 23, 2014



# Pittsford Central School District 2014-2015 Budget Adoption

## Purpose

**Present to the Board of Education, to adopt as their own, the 2014-2015 school budget**

- **Budget development process**
- **Incorporate legally required information**



# Pittsford Central School District 2014-2015 Budget Adoption

## 2014-2015 Budget Development Philosophy and Process

- End in Mind (targets)
  - Maintaining excellence and expected academic performance in instruction and areas that support student achievement
  - *Develop a budget not to exceed the estimated Tax Levy Cap of 1.75%*
  - *Eye on the Future – A budget that provides for future stability and utilizes Fund Balance and Reserves in a thoughtful manner*
- Budget stakeholders in preparing their budgets were instructed to:
  - Identify a budget maintaining current programs and services
  - Align budget with District Goals, BOE Approved Budget Guidelines and Building Comprehensive Action Plans
  - Identify potential areas not aligned with the implementation of Federal, NYS and Board goals and initiatives



# Pittsford Central School District 2014-2015 Budget Adoption

## What has changed since March 10<sup>th</sup> Work Session?

- **Revenues**

- **NYS budget** adopted, resulting in an additional \$590,744 in State Aid to the District
  - Due to new Building Aid figures, the **Property Tax Cap reduced to 1.75%**
- **Property Tax Levy** the additional State Aid used to reduce the gap in revenue

- **Net Impact?**

- **Budget**                    2.26%
- **Tax Levy**                    1.75%



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## Proposed Budget by Object of Expense

Object of Expense	2013-2014 Adopted	2014-2015 Proposed	Dollar Change	Percent Change
Salaries	56,527,730	57,448,383	920,653	1.63%
Benefits	33,863,907	35,464,561	1,600,654	4.73%
Equipment	395,864	511,375	115,511	29.18%
Contractual & Tuitions	6,412,468	6,883,107	470,639	7.34%
BOCES	8,236,951	8,166,465	-70,486	-0.86%
Supplies & Aided Matls	3,025,674	2,778,498	-247,176	-8.17%
Debt Service & Transfers	8,788,635	8,652,719	-135,916	-1.55%
<b>Total Budget</b>	<b>117,251,229</b>	<b>119,905,108</b>	<b>2,653,879</b>	<b>2.26%</b>

- A. Reduce 1 ESOL FTE, due to attrition
- B. Reduce 2 Standards Leaders, ESOL and Psychologist, teachers retiring
- C. Combine MHS and SHS Alpine Skiing teams, reduce coaching position
- D. Reduce 1 MS Registrar, employee retired; combine MS positions, employee given a stipend
- E. Reclassified Technology Equipment from Supplies to Maximize State Aid Revenue

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## Putting It Together – Programs & Services

	Approved 2013-2014	Proposed 2014-2015	\$ Change	% Change
<b>TOTAL PROGRAM SERVICES</b>				
Schools	\$ 46,481,678	\$ 47,423,439	\$ 941,761	2.03%
Central Student Services	\$ 8,114,135	\$ 8,201,908	\$ 87,773	1.08%
Instructional Services	\$ 3,204,093	\$ 3,300,407	\$ 96,314	3.01%
Support Services	\$ 14,772,344	\$ 14,856,938	\$ 84,594	0.57%
Central Administration	\$ 339,027	\$ 347,476	\$ 8,449	2.49%
Unallocated Expenses	\$ 44,339,952	\$ 45,774,940	\$ 1,434,988	3.24%
<b>Total Program Services</b>	<b>\$ 117,251,229</b>	<b>\$ 119,905,108</b>	<b>\$ 2,653,879</b>	<b>2.26%</b>



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## Revenue Summary

DESCRIPTION	2009-10	2010-11	2011-12	2012-13	2013-14	PROPOSED 2014-15	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
PROPERTY TAX LEVY & STAR	\$ 81,061,355	\$ 83,177,728	\$ 84,971,450	\$ 87,709,370	\$ 91,075,881	\$ 92,666,331	\$ 1,590,450	1.75%
STATE AID	\$ 19,550,148	\$ 18,795,459	\$ 18,136,313	\$ 17,350,090	\$ 18,084,866	\$ 19,023,483	\$ 938,617	5.19%
SALES TAX	\$ 3,270,340	\$ 4,131,535	\$ 4,398,705	\$ 4,500,000	\$ 4,600,000	\$ 4,900,000	\$ 300,000	6.52%
INTEREST	\$ 400,000	\$ 125,000	\$ 90,000	\$ 123,968	\$ 98,000	\$ 69,125	\$ (28,875)	-29.46%
MISC REVENUE	\$ 1,887,014	\$ 2,222,885	\$ 2,166,258	\$ 1,534,948	\$ 1,449,482	\$ 1,303,169	\$ (146,313)	-10.09%
FUND BALANCE & RESERVES	\$ 750,000	\$ 1,250,000	\$ 1,828,000	\$ 1,928,000	\$ 1,943,000	\$ 1,943,000	\$ -	0.00%
<b>TOTAL REVENUES</b>	<b>\$ 106,918,857</b>	<b>\$ 109,702,607</b>	<b>\$ 111,590,726</b>	<b>\$ 113,146,376</b>	<b>\$ 117,251,229</b>	<b>\$ 119,905,108</b>	<b>\$ 2,653,879</b>	<b>2.26%</b>

### • Specific Highlights

- Property Tax Levy – Third year of the Property Tax Cap. For Pittsford this year the formula calculates to a capped increase over the prior year’s levy of 1.75%
- State Aid – Governor’s Proposed Budget
  - Foundation (General Operating) continues to be frozen, (plus a small adjustment this year) to what was received in 2007-08 and further reduced by over \$2.3 million for the “Gap Elimination Adjustment”
  - Since 2008-09 NYS has cumulatively paid PCSD \$60m less than the law provides



# Pittsford Central School District 2014-2015 Budget Adoption

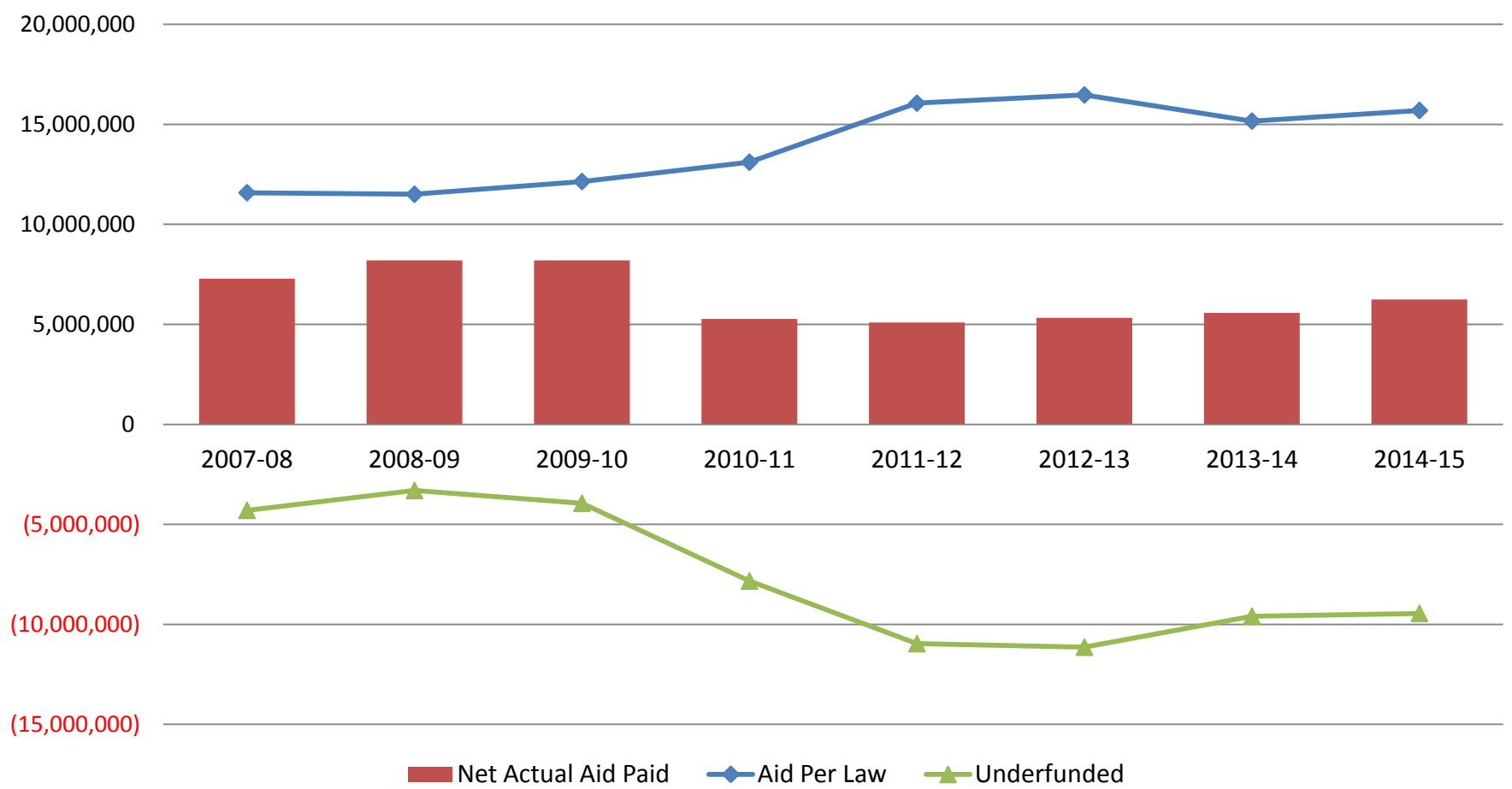
- Foundation Aid & the Gap Elimination Adjustment (GEA), why talk about it?
  - It is the basic form of aid to all schools to fund the basic programs public schools are required to provide
  - It is the basis of many Community, District and Board of Education decisions
  - It's about sustainability into the future
    - When the funding is less while the required programs and services are more, other programs are reduced and/or property taxes increase
    - Property Taxes are capped, meaning in Pittsford, the two largest funding sources are constricted





# Pittsford Central School District 2014-2015 Budget Adoption

## Actual Aid Received by PCSD v. Foundation Aid Law

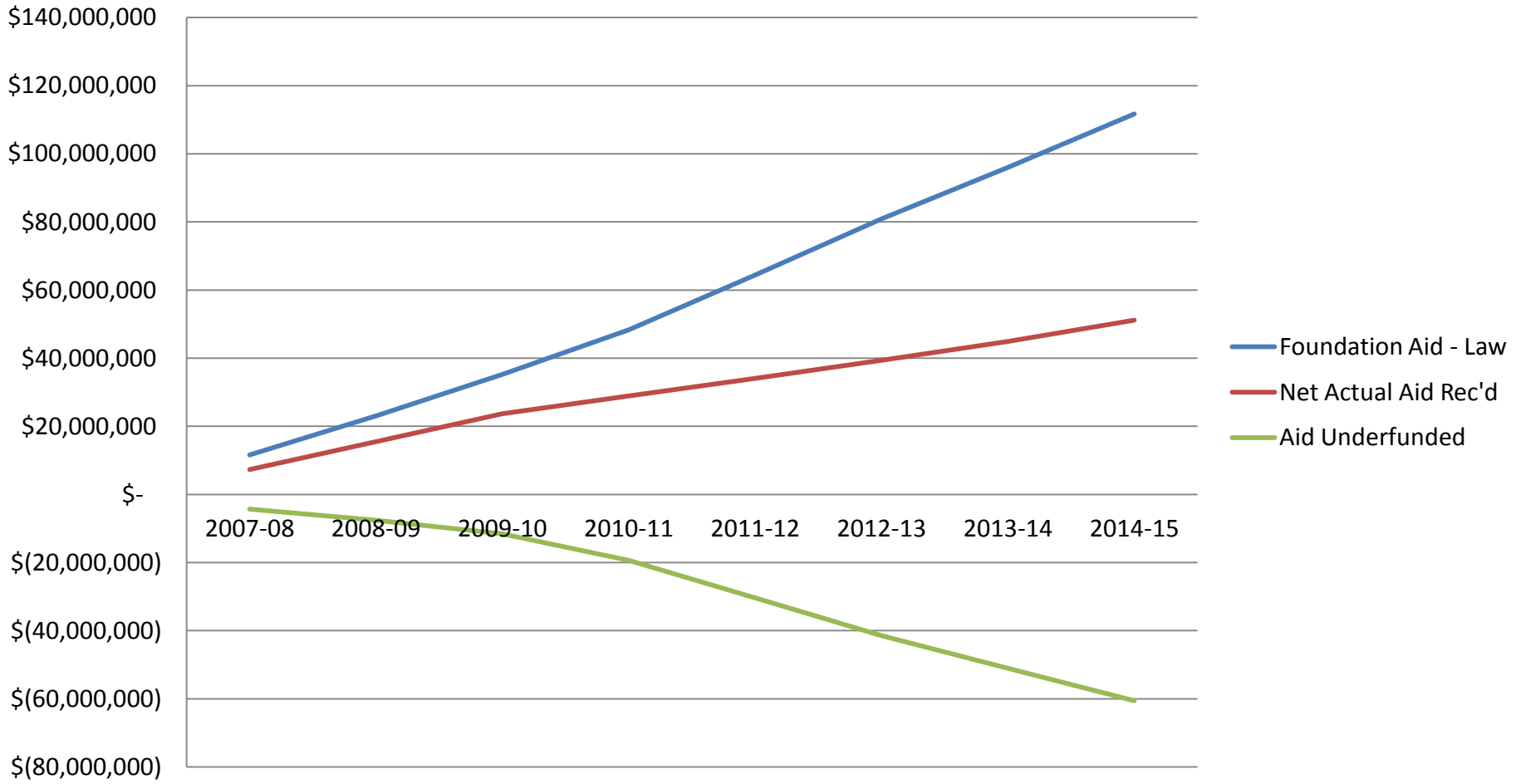


It's not an increase, it's a reduction of the reduction, and *it's NOT the Law*



# Pittsford Central School District 2014-2015 Budget Adoption

## Cumulative Impact of Underfunded Foundation Aid Law





# Pittsford Central School District 2014-2015 Budget Adoption

- Foundation Aid Underfunding Impact On:
  - Tax Levy
    - Would have been reduced by more than \$60m over the eight year period
    - Tax Levy increase over the period would have been 15.6% compared to the actual 21.5%
  - Average Homeowner Tax Bill – assumes \$250,000 assessed home and Basic STAR eligible
    - The loss of State Aid has resulted in the average homeowner paying \$3,729 or 9% more in school taxes than if the Foundation Aid Law had been followed
- Foundation Aid is funded through NYS income taxes. NYS Resident Income Taxes have not decreased yet the funding is not going to where it is legally required.
  - Shifting of tax burden from the State to schools while mandating increases in curriculum, programs and services



# Pittsford Central School District 2014-2015 Budget Adoption

## Pittsford Central School District Property Tax Report Card (legally required)

	Budgeted 2013-14 (A)	Proposed Budget 2014-15 (B)	Percent Change (C)
Total Proposed Spending	117,251,229	119,905,108	2.26 %
Total Proposed School Year Tax Levy, Including Tax Levy to Support Library Debt <sup>1</sup>	91,075,881	92,666,331	1.75 %
Permissible Exclusions to the School Tax Levy Limit	3,847,603	2,657,294	
Proposed School Year Tax Levy, Not Including Levy for Permissible Exclusions or Levy to Support Library Debt School Tax Levy Limit <sup>2</sup>	87,228,278	90,009,037	
Difference (positive value requires 60.0% voter approval)	87,450,837	90,009,037	
Public School Enrollment	-222,559	0	
Consumer Price Index	5,898	5,898	0.00 %
			1.46 %

<sup>1</sup> All proposed levies should exclude any prior year reserve for excess tax levy, including interest.

<sup>2</sup> For 2014-15, includes any carryover from 2013-14 and excludes any tax levy for library debt or prior year reserve for excess tax levy, including interest.

	Actual 2013-14 (D)	Estimated 2014-15 (E)
Adjusted Restricted Fund Balance	17,181,993	15,877,256
Assigned Appropriated Fund Balance	1,300,000	1,300,000
Adjusted Unrestricted Fund Balance	4,690,049	4,796,204
Adjusted Unrestricted Fund Balance as a Percent of the Total Budget	4.00 %	4.00 %

# Pittsford Central School District 2014-2015 Budget Adoption

## What is a Contingent Budget and process?

- If the voters do not approve a proposed budget, the Board of Education may:
  - Go before the voters for one more vote on the same or different budget
  - Implement the contingent budget after the first defeat, but must implement contingent budget if the second budget is not approved by the voters
- Contingent Budget Cap is no longer based on a permissible expenditure growth, but a cap on the taxes levied. ***The Tax Levy cannot be greater than the previous year.***
- **The Contingent Budget**
  - Contingent Budget must be calculated based on a zero percent tax levy increase and as required by law, certain items must be removed from the budget:
    - ◆ Non health & safety or preservation of facilities related equipment
    - ◆ Community or non-school use of facilities is not permitted
- **The Contingent Budget is \$118,314,658; which is \$1,590,450 less than proposed and 0.91% more than the current year 2013-2014 budget**



# Pittsford Central School District 2014-2015 Budget Adoption

## Additional Propositions

Two propositions:

- **Bus Purchase Reserve**
  - Authorization to expend from the Reserve (savings) not more than \$1,276,000 for the replacement of twelve (12) school buses;
- ***The Proposition, if approved, will generate additional State Aid in subsequent years, to be used to replenish the reserve for future replacements***
- ***NO tax impact if approved by the voters***



### Proposition No. 1

### Capital Reserve Fund - Purchase of Buses

**BE IT RESOLVED**, that the Board of Education of the Pittsford Central School District is hereby authorized to withdraw from the “Capital Reserve Fund – Purchase of Buses” a sum of money not to exceed one million, two hundred seventy-six thousand dollars (\$1,276,000), less trade-in allowance, to be used for the purchase of eight (8) replacement sixty-six passenger buses, two (2) replacement thirty-six passenger and two (2) replacement twenty-two passenger buses and communications equipment used in the operation of such buses.



# Pittsford Central School District 2014-2015 Budget Adoption

## **Additional Propositions**

### **Proposition No. 2**

## **Authorization To Establish Capital Reserve Fund – Instructional Technology**

***BE IT RESOLVED***, that the Board of Education of the Pittsford Central School District, Monroe County, New York, be authorized to establish a reserve fund in accordance with New York State Education Law and Local Finance Law, to be known as the “Technology Reserve Fund”. The ultimate amount of such fund shall not exceed ten million dollars (\$10,000,000) plus accrued interest. The fund shall be used to finance, in whole or in part, the purchase of equipment, including computer equipment (i.e. hardware, software, related networking infrastructure and related peripherals). The maximum term of the Technology Reserve Fund shall be 10 years and the source of money to be paid into such reserve fund shall include excess revenues, unencumbered appropriations, unreserved fund balances of the school district or budgetary appropriation.



# Pittsford Central School District 2014-2015 Budget Adoption

## Key Points

- **Proposed Budget** Increase is 2.26%
- Estimated **Tax Levy** Increase is 1.75%
- Estimated **Tax Rate** Increase of 1.33%
  - Approx \$73 for average homeowner  
(\$250,000 assessed value, BASIC STAR exemption)
- **Contingent Budget** would require a 0% tax levy increase and as a result \$1,590,450 of additional reductions would be required





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## Budget Timetable

- Annual Budget Hearing                      May 12, 7:00 pm  
    Barker Road Middle School
  
- Budget Vote                                      May 20, 7:00 am to 9:00 pm  
    Barker Road Middle School  
    gymnasium; Voter identification  
    is required





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## Board Action Required

- ***BE IT RESOLVED*** that the Board of Education of the Pittsford Central School District, at its regular meeting of April 23, 2013, does hereby adopt and support as a corporate body the Superintendent's 2014-2015 Proposed Budget in the total amount of \$119,905,108 as presented.
- ***BE IT FURTHER RESOLVED*** that the Board of Education of the Pittsford Central School approves the Property Tax Report Card and authorizes the Assistant Superintendent for Business to electronically submit to the New York State Commissioner of Education within 24 hours of adoption, as per law.

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- Questions or Comments?