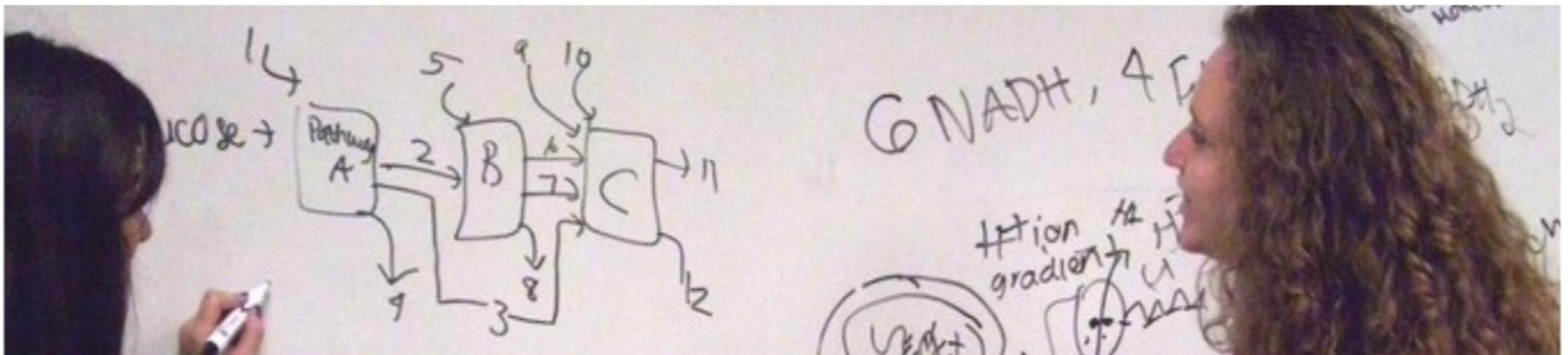




Pittsford Central School District

Superintendent's 2015-16 Proposed Budget for Board of Education Adoption
 Board of Education Meeting
 April 20, 2015





Pittsford Central School District 2015-2016 Budget Adoption

Purpose

**Present the Superintendent's recommended
2015-2016 Proposed Budget for the Board of
Education to consider adopting as their budget
to be presented to the voters**

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



Pittsford Central School District 2015-2016 Budget Adoption

2015-2016 Budget Development Philosophy and Process

- End in Mind (targets)
 - Maintaining excellence and expected academic performance in instruction and areas that support student achievement
 - Adhere to the DPT recommended and Board Approved Budget Development Guidelines
 - *Develop a budget not to exceed the estimated Tax Levy Cap of 2.25%*
 - *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
 - Identify potential areas to abandon to promote the implementation of Federal, NYS and Board goals and initiatives
 - *Significant staffing increases during the 2014-15 fiscal year for special needs students had to be recognized and absorbed within the new budget*
 - *Significant reduction in the Teacher Retirement System employer cost was a favorable change to the budget, paramount in the success of the 2015-16 budget*



Pittsford Central School District 2015-2016 Budget Adoption

Where were we at the March 11th Work Session?

- **Appropriations**
 - The budget was \$122,551,509 or 2.21% more than previous year
 - Sectioning work was and is ongoing
 - Committee on Special Education (CSE) - underway and identifying student services
 - Continued work on refining the budget
- **Revenues**
 - Used Governor's proposal which was NO increase in State Aid
 - Property Tax Cap was calculated at 2.25% and Board of Education was not interested in seeking a Property Tax Cap Override and Super Majority
- **Net Impact?**
 - *The Budget was not balanced and had a \$854,485 gap (revenue support shortage)*



Pittsford Central School District 2015-2016 Budget Adoption

What has changed since March 11th Work Session?

- **Appropriations**

- **Budget net adjustment to \$122,588,393 or increase of 2.24%**
 - Sectioning work was and is ongoing
 - Committee on Special Education (CSE) - underway and identifying student services
 - Continued work on refining the budget
 - **BOCES corrections and adjustments**
 - **Health Care Reform Medicaid Subsidy decrease to over 65 retiree health insurance plans, told to anticipate a 30-40% increase in premium (was 72% this year).**

- **Revenues**

- **NYS budget** adopted, resulting in an additional \$895,741 in State Aid to the District
 - **To receive the additional State Aid, a school district must negotiate with teacher association the implementation of the NYS Education Reform requirements by November 2015**
- **Property Tax Levy** the Tax Cap remained unchanged and the additional State Aid:
 - The additional aid was NOT used to increase the budget, reinstate cuts or increase programs
 - The additional aid WAS used to reduce the tax burden on the local community and remain within the Property Tax Cap

- **Net Impact?**

- **Budget** 2.24%
- **Tax Levy** 2.25%



Pittsford Central School District 2015-2016 Budget Adoption

Proposed Budget by Object of Expense

Object of Expense	2014-2015 Adopted	2015-2016 Proposed	Dollar Change	Percent Change
Salaries	57,448,383	58,702,157	1,253,774	2.18%
Benefits	35,464,561	36,043,144	578,583	1.63%
Equipment	511,375	567,821	56,446	11.04%
Contractual & Tuitions	6,883,107	6,911,624	28,517	0.41%
BOCES	8,166,465	8,632,344	465,879	5.70%
Supplies & Aided Matls	2,778,498	3,078,584	300,086	10.80%
Debt Service & Transfers	8,652,719	8,652,719	0	0.00%
Total Budget	119,905,108	122,588,393	2,683,285	2.24%



Pittsford Central School District 2015-2016 Budget Adoption

Putting It Together – Programs & Services – needs updating

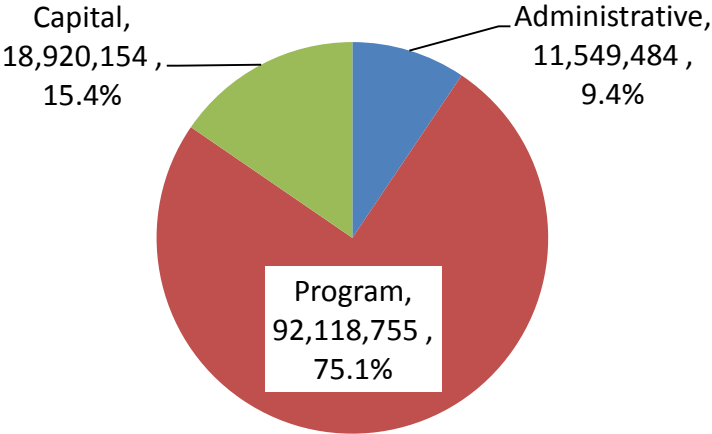
	Approved 2014-2015	Approved Budget FTE 2014-2015	Actual YTD FTE 2014-2015	Proposed FTE 2015-2016	Proposed 2015-2016	\$ Change	% Change
TOTAL PROGRAM SERVICES							
Schools	\$ 47,423,439	799.40	810.50	811.50	\$ 48,299,664	\$ 876,225	1.85%
Central Student Services	\$ 8,201,908	29.45	28.95	29.45	\$ 8,705,767	\$ 503,859	6.14%
Instructional Services	\$ 3,300,407	32.35	32.35	34.35	\$ 3,583,366	\$ 282,959	8.57%
Support Services	\$ 14,888,910	223.75	225.35	225.35	\$ 15,277,462	\$ 388,552	2.61%
Central Administration	\$ 347,476	3.00	3.00	3.00	\$ 369,726	\$ 22,250	6.40%
Unallocated Expenses	\$ 45,742,968	0.00	0.00	0.00	\$ 46,352,408	\$ 609,440	1.33%
Total Program Services	\$ 119,905,108	1,087.95	1,100.15	1,103.65	\$ 122,588,393	\$ 2,683,285	2.24%



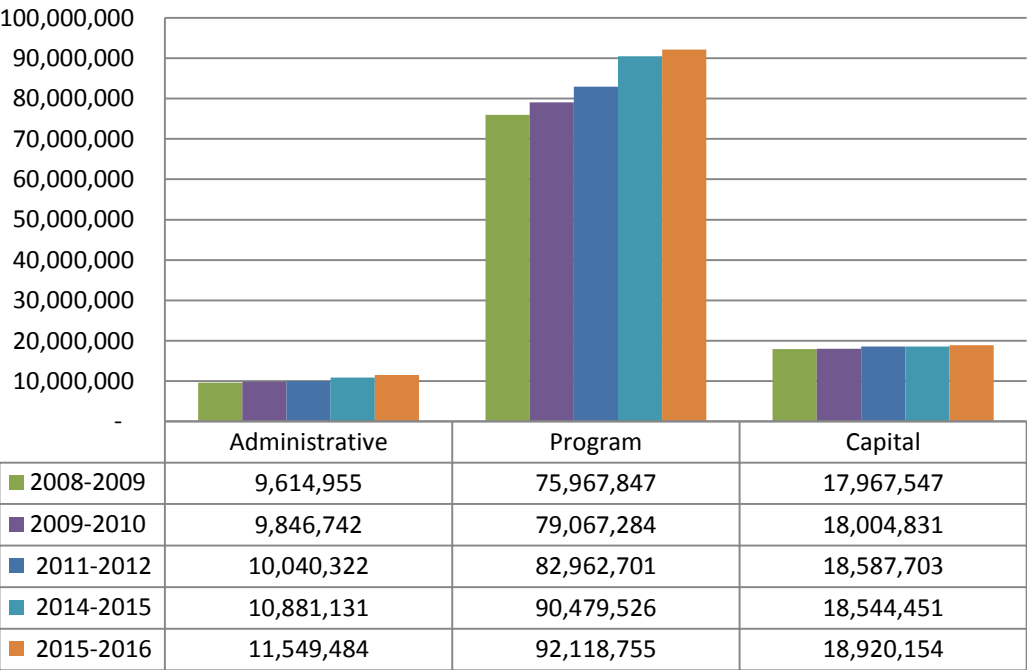
Pittsford Central School District 2015-2016 Budget Adoption

New York State Required – Three Part Budget

2015-2016 Three Part Budget Components



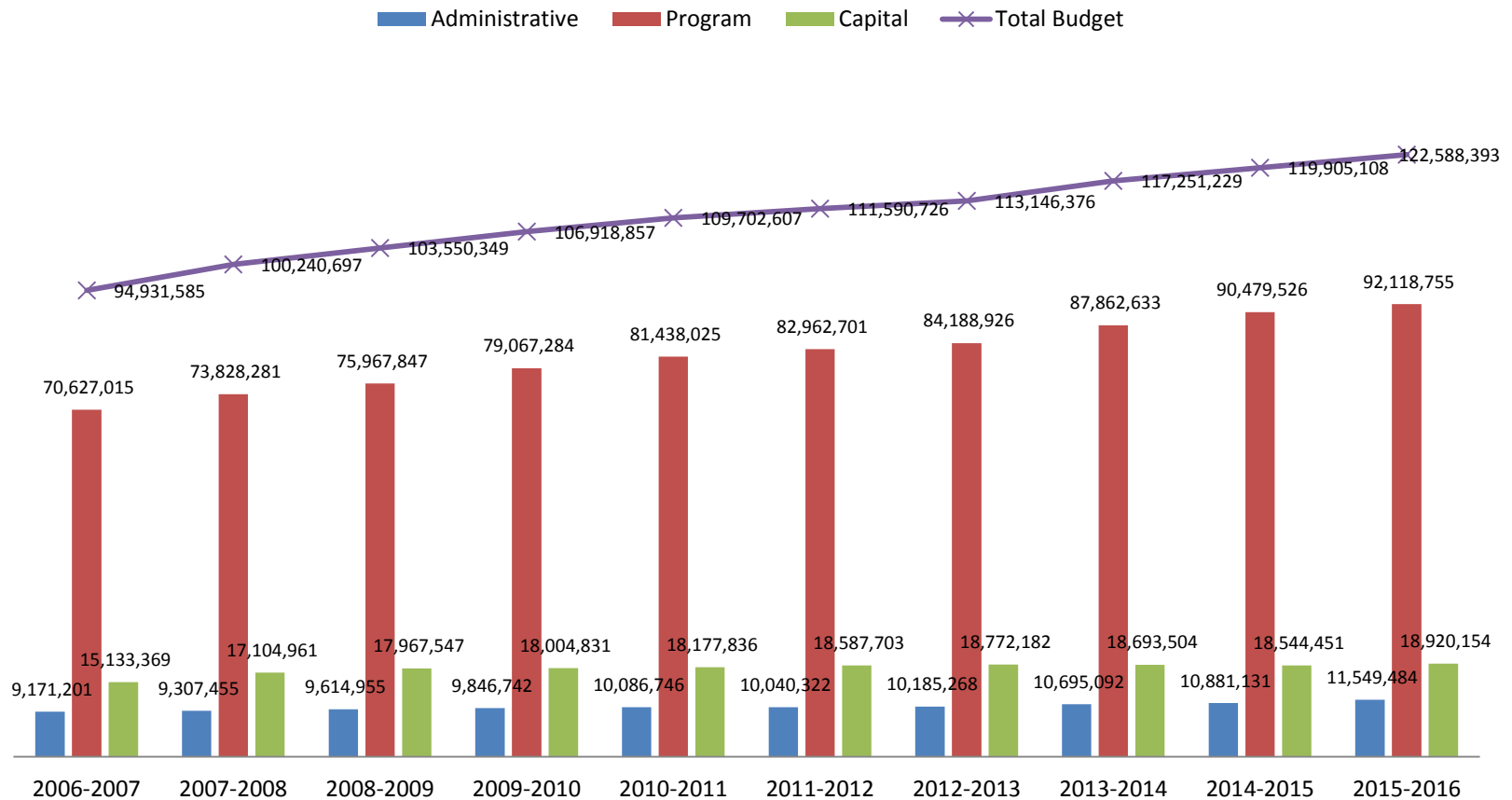
Three Part Budget
Component Trend





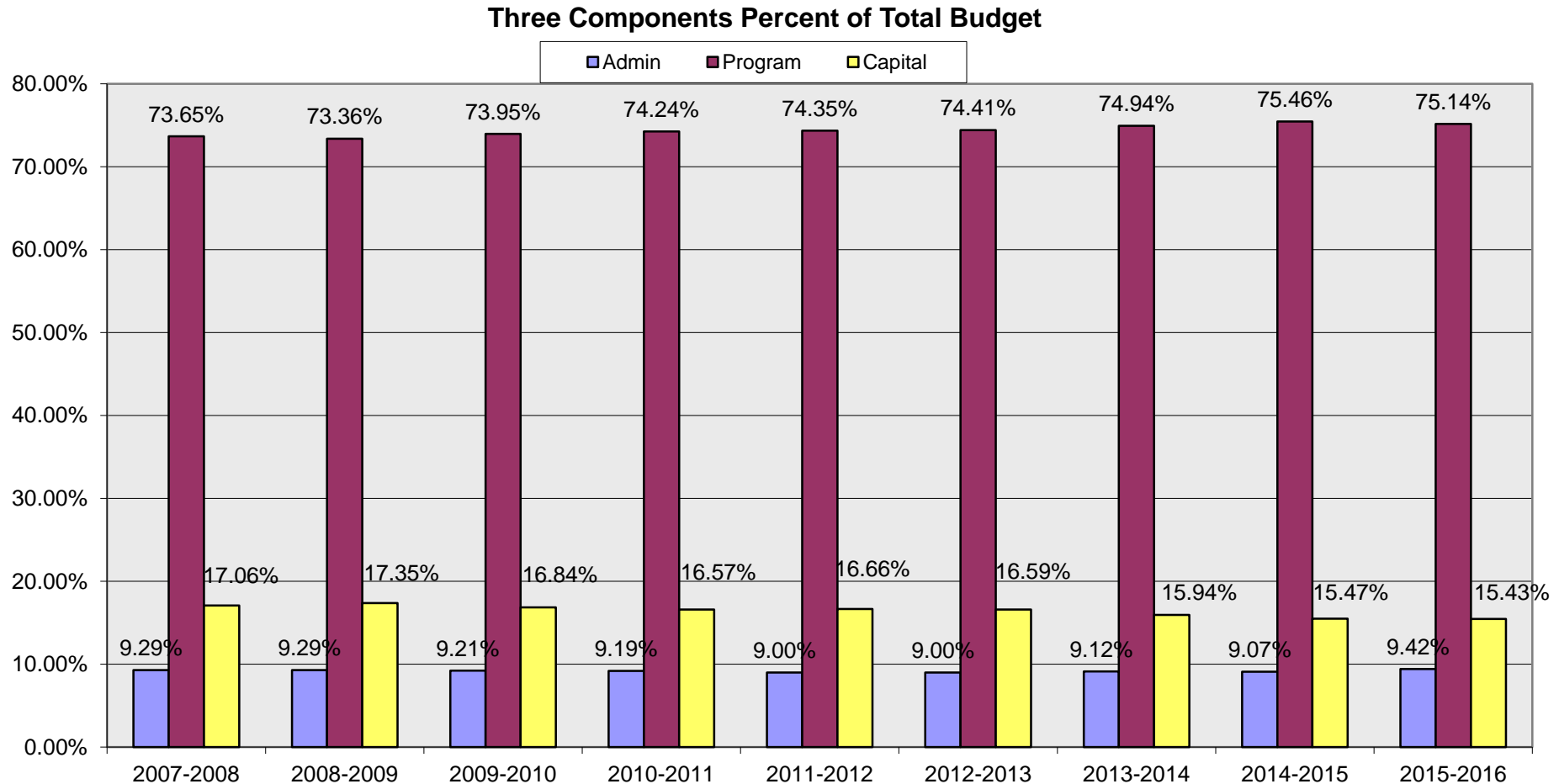
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Three Part Budget Trend - By Component





Pittsford Central School District 2015-2016 Budget Adoption





Pittsford Central School District 2015-2016 Budget Adoption

Revenue Summary

DESCRIPTION	2010-11	2011-12	2012-13	2013-14	2014-15	PROPOSED 2015-16	\$ INCREASE (DECREASE)	% INCREASE (DECREASE)
PROPERTY TAX LEVY & STAR	\$ 83,177,728	\$ 84,971,450	\$ 87,709,370	\$ 91,075,881	\$ 92,666,331	\$ 94,750,493	\$ 2,084,162	2.25%
STATE AID	\$ 18,795,459	\$ 18,136,313	\$ 17,350,090	\$ 18,084,866	\$ 19,023,483	\$ 19,819,314	\$ 795,831	4.18%
SALES TAX	\$ 4,131,535	\$ 4,398,705	\$ 4,500,000	\$ 4,600,000	\$ 4,900,000	\$ 4,912,858	\$ 12,858	0.26%
INTEREST	\$ 125,000	\$ 90,000	\$ 123,968	\$ 98,000	\$ 69,125	\$ 45,758	\$ (23,367)	-33.80%
MISC REVENUE	\$ 2,222,885	\$ 2,166,258	\$ 1,534,948	\$ 1,449,482	\$ 1,303,169	\$ 1,116,970	\$ (186,199)	-14.29%
FUND BALANCE & RESERVES	\$ 1,250,000	\$ 1,828,000	\$ 1,928,000	\$ 1,943,000	\$ 1,943,000	\$ 1,943,000	\$ -	0.00%
TOTAL REVENUES	\$ 109,702,607	\$ 111,590,726	\$ 113,146,376	\$ 117,251,229	\$ 119,905,108	\$ 122,588,393	\$ 2,683,285	2.24%

• Specific Highlights

- Property Tax Levy – Fourth year of the Property Tax Cap. For Pittsford this year the formula calculates to a Capped increase over the prior year's levy of 2.25%. Formula "Exclusion Items" that affect the Tax Cap :
 - Increase in Property Tax Base (transfer from COMIDA to tax roll)
- State Aid – Governor's Proposed Budget
 - Foundation (General Operating) continues to be frozen to what was received in 2007-08 and further reduced by over \$1.5 million for the "Gap Elimination Adjustment"
 - Since 2008-09 NYS has paid PCSD \$71m less than the law requires



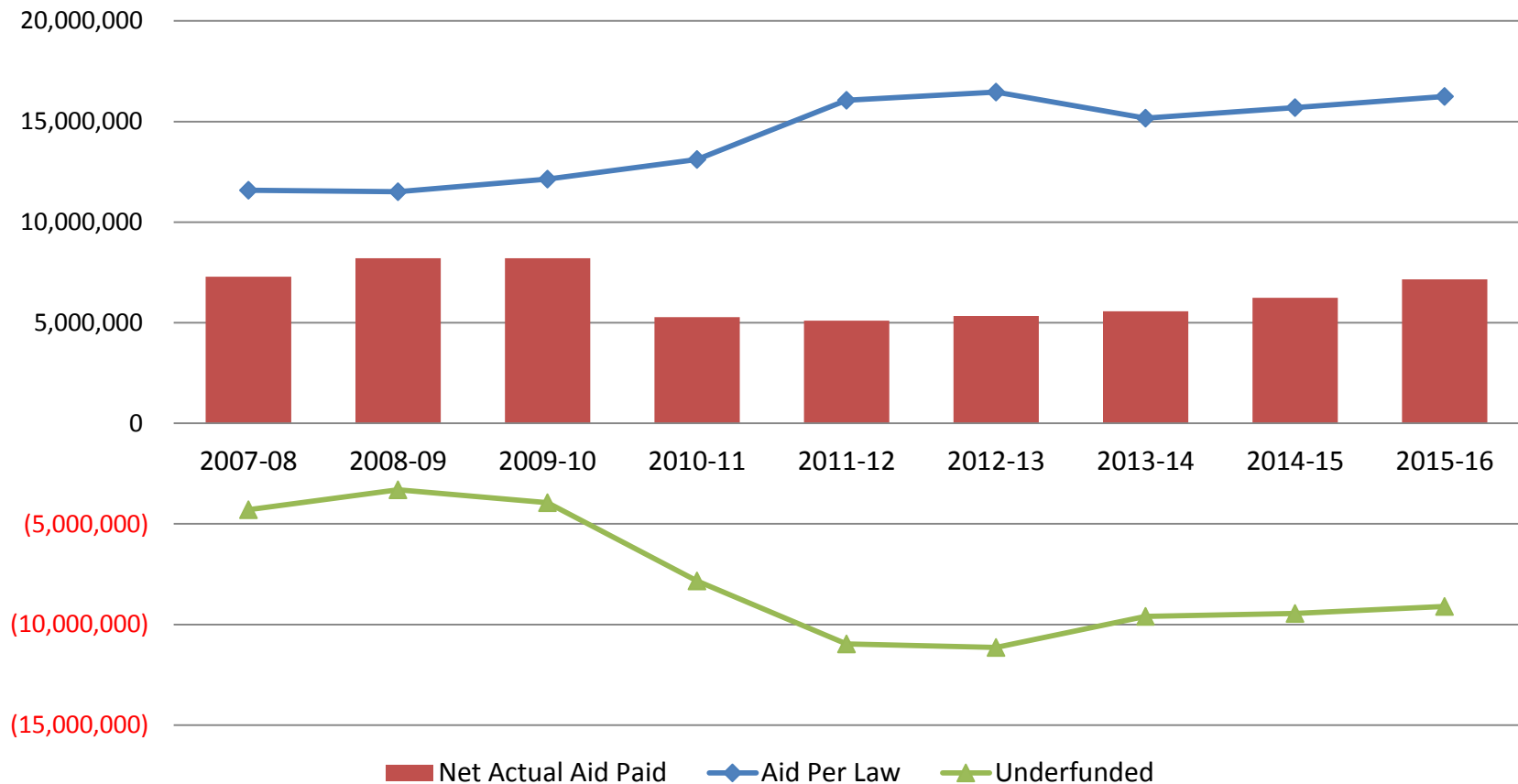
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- Foundation Aid & the Gap Elimination Adjustment (GEA), why talk about it?
 - It is the basic form of aid to all schools to fund the basic programs public schools are required to provide
 - It is the basis of many Community, District and Board of 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
 - It is not funded per law and the distribution is not equitable



Pittsford Central School District 2015-2016 Budget Adoption

Actual Aid Received by PCSD v. Foundation Aid Law

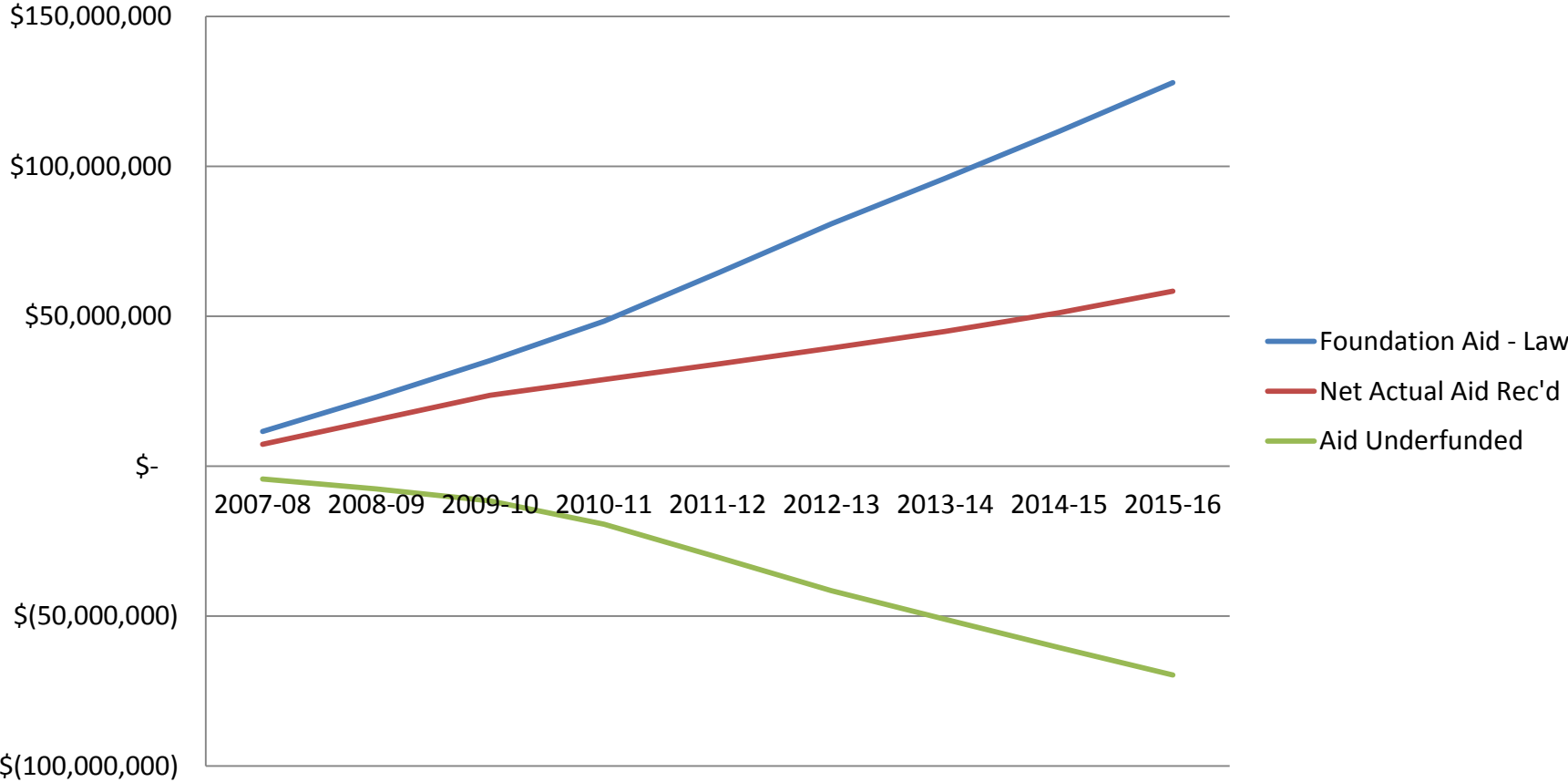


It's not an increase, it's a reduction of the reduction, and *it's NOT the Law*



Pittsford Central School District 2015-2016 Budget Adoption

Cumulative Impact of Underfunded Foundation Aid Law





Pittsford Central School District 2015-2016 Budget Adoption

- Foundation Aid & Gap Elimination Adjustment (GEA) Underfunding Impact:
 - Tax Levy
 - Would have been reduced by almost \$70m over the nine year period
 - Tax Levy increase over the period would have been 18% compared to the actual 24%
 - 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
- Administrative Efficiency Aid funding was discontinued in the NYS 2015-16 Budget. However per the formula, the District would still qualify.



Pittsford Central School District 2015-2016 Budget Adoption

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

<u>Shaded Fields Will Calculate</u>	Budgeted 2014-15 (A)	Proposed Budget 2015- 16 (B)	Percent Change (C)
Total Budgeted Amount, not including Separate Propositions	119,905,108	122,588,393	2.24 %
A. Proposed Tax Levy to Support the Total Budgeted Amount ¹	92,666,331	94,750,493	
B. Tax Levy to Support Library Debt, if Applicable	0	0	
C. Tax Levy for Non-Excludable Propositions, if Applicable ²	0	0	
D. Total Tax Cap Reserve Amount Used to Reduce Current Year Levy, if Applicable	0	0	
E. Total Proposed School Year Tax Levy (A+B+C-D)	92,666,331	94,750,493	2.25 %
F. Permissible Exclusions to the School Tax Levy Limit	2,657,294	2,677,983	
G. School Tax Levy Limit, <u>Excluding</u> Levy for Permissible Exclusions ³	90,009,037	92,072,510	
H. Total Proposed Tax Levy for School Purposes, <u>Excluding</u> Permissible Exclusions and Levy for Library Debt, Plus Prior Year Tax Cap Reserve (E-B-F+D)	90,009,037	92,072,510	
I. Difference: (G-H); (negative value requires 60.0% voter approval) ²	0	0	
Public School Enrollment	5,850	5,850	0.00 %
Consumer Price Index			1.62 %

¹ Include any prior year reserve for excess tax levy, including interest.

² Tax levy associated with educational or transportation services propositions are not eligible for exclusion under the School Tax Levy Limit and may affect voter approval requirements.

³ For 2015-16, includes any carryover from 2014-15 and excludes any tax levy for library debt or prior year reserve for excess tax levy, including interest.

	Actual 2014-15 (D)	Estimated 2015- 16 (E)
Adjusted Restricted Fund Balance	20,911,154	21,027,453
Assigned Appropriated Fund Balance	1,300,000	1,300,000
Adjusted Unrestricted Fund Balance	4,796,204	4,903,536
Adjusted Unrestricted Fund Balance as a Percent of the Total Budget	4.00 %	4.00 %



Pittsford Central School District 2015-2016 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 \$120,504,231; which is \$2,084,162 less than proposed and 0.50% more than the current year 2014-2015 budget**
- **A Contingent Budget would require almost \$2.1m in budget/program reductions**



Pittsford Central School District 2015-2016 Budget Adoption

Proposition No. 1 Capital Reserve Fund - Purchase of Buses

- Purchase of twelve replacement buses at a total maximum cost of \$1,400,000
 - Ten - 65 passenger \$120,639 ea.
 - One - 36 passenger mini-bus \$114,305 ea.
 - One - 30 passenger \$127,737 ea.
Wheel Chair van/bus
 - Trade-in allowance will reduce total cost approximately \$49,000
 - **Will not impact the tax levy**
 - Will generate approximately \$812,000 in State Aid that will replenish the reserve
 - All buses being replaced are more than ten years old and have more than 120,000 miles





Pittsford Central School District 2015-2016 Budget Adoption

PROPOSITION NO. 1 – Capital Reserve Fund – Purchase of Buses

Shall the following resolution be adopted, to wit:

BE IT RESOLVED, that the Board of Education of Pittsford Central School District is hereby authorized to withdraw from the exiting “Capital Reserve Fund – Purchase of Buses” a sum of money not to exceed One Million, Four Hundred Thousand Dollars (\$1,400,000) to be used for the purchase of ten (10) replacement sixty-five passenger buses, one (1) replacement thirty-six passenger bus and one (1) replacement thirty passenger wheel chair bus and communications equipment used in the operation of such buses.

PROPOSED – RE-ESTABLISH PURCHASE OF BUSES RESERVE

IT IS FURTHER RESOLVED that the Board of Education of the Pittsford Central School District is hereby authorized and directed to establish a new reserve fund pursuant to Education Law §3651 which shall be known as the “Capital Reserve Fund – Purchase of Buses” for the purpose of financing, in whole or in part, the purchase and replacement of vehicles and equipment related to the transportation of District students, including all costs incidental to the acquisition thereof, as permitted by Local Finance Law. The ultimate amount of such reserve fund shall not exceed Fifteen Million Dollars (\$15,000,000) plus amounts earned on deposit on reserve funds. The probable existence of said reserve fund shall be ten (10) years, but the fund shall continue in existence for its stated purpose until liquidated according to Education Law. The source from which funds shall be obtained for said reserve funds shall be transfers authorized by the voters from other such reserve funds, current and future unappropriated fund balances from the General Fund as directed by the Board of Education and any other appropriations authorized by the voters. No monies may be expended from the “Capital Reserve Fund – Purchase of Buses” without voter approval.

BE IT FURTHER RESOLVED that the Board of Education of the Pittsford Central School District is hereby directed to transfer any unexpended balance remaining after the purchase of twelve (12) replacement vehicles from the existing “Capital Reserve Fund – Purchase of Buses” as set forth above into the newly established “Capital Reserve Fund – Purchase of Buses” and discontinue use of the existing fund.



Pittsford Central School District 2015-2016 Budget Adoption

Key Points

- **Proposed Budget** Increase is 2.24%
- Estimated **Tax Levy** Increase is 2.25%
 - Within Tax Cap so NYS Tax Credit eligible
- Estimated **Tax Rate** Increase of 1.51%
 - Approx \$88 for average homeowner (\$250,000 assessed value, BASIC STAR exemption)
 - Since the PCSD's Tax Levy increase is within the Tax Cap, NYS **should** issue credit/refund checks that would offset the taxpayer increase. **Net cost to taxpayer *should be \$0.00***
- **Contingent Budget** would require a 0% tax levy increase and as a result \$2,084,162 of additional reductions would be required



Pittsford Central School District 2015-2016 Budget Adoption

Budget Timetable

- Annual Budget Hearing
May 11, 7:00 pm
Barker Road Middle School
- Budget Vote
May 19, 7:00 am to 9:00 pm
Barker Road Middle School
gymnasium; Voter identification
is required





Pittsford Central School District 2015-2016 Budget Adoption

- Questions or Comments?



Pittsford Central School District 2015-2016 Budget Adoption

Board Action Required

- ***BE IT RESOLVED*** that the Board of Education of the Pittsford Central School District, at its regular meeting of April 20, 2015, does hereby adopt and support as a corporate body the Superintendent's 2015-2016 Proposed Budget in the total amount of \$122,588,393 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.