



2016-2017 Budget Discussion

March 3, 2016

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Agenda



- ✓ Budget Calendar
- ✓ Stakeholders Expectations
- ✓ Budget Challenges and Update
- ✓ Contingency Items
- ✓ Reserves and Fund Balance
- ✓ Tax Cap
- ✓ Review of Documents (Administration and Grants)
- ✓ Discussion

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Budget Calendar



March 17	Board Meeting (3/17/16 Budget Draft)
March 31	Special Budget Forum & Meeting (Discussion 3/17/16 Draft)
April 7	Board Meeting (4/7/16 Budget Draft) and Budget Adoption
April 14	Special Board Meeting for Budget Adoption (if not adopted on April 7 th .)
May 5	Budget Hearing
May 6	Budget Newsletter Mailing
May 17	Budget Vote Day

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Stakeholder Expectations

- Provide rich academic programming for all students at all levels
- Maintain current programs, services, and staffing and enhance existing programs and services
- Add-in what is necessary to perform mandates
- Provide comprehensive academic intervention services and student supports beyond academic (traditional social services)
- Fill gaps in resources identified by staff
- Annually add in new programs and services
- Don't raise taxes

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2015-16 Budget Challenges (1 of 2)

State-aid

- Governor's proposal is not adequate to balance the base budget
- New State-aid for community schools is restricted - \$2.7 million

The following limited guidance has been provided by the Governor's Office regarding community schools:

\$75 million to 17 school districts with a failing or persistently failing school. Schools will be able to use these funds for community school coordinators, before-and-after school mentoring services, summer learning activities, health and dental care referrals, and other strategies to maximize student achievement.

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2016-17 Budget Challenges (2 of 2)

Budget Challenges on the Expenditure Side

- Possible expansion of charter schools at 5th grade (possible \$1.5M)
- Community Schools initiative (net zero impact)
- Enrollment growth at the elementary level (AHES, EPES, Giffen, NAA and PHES)
- Increase of ENL positions due to enrollment growth and mandates
- Staffing costs needed to implement and maintain Technology initiatives under the Smart Bonds Act are not reimbursable
- Costs related to unfunded mandates:
 - DCIP, ENL, PAR Administrator,
 - Attorney General's Report (independent monitor & chief ombudsman officer)

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Changes since Budget Draft 2/25/16

Expenditure Adjustments from 2/25/16 to 3/3/16 Budget Update

Description	Dollar Impact	Tax Levy Impact
Reductions:		
Smart Bonds Initiative	(2,400,827)	-2.11%
Additions:		
Salary and Benefits (due to staff transition)	16,223	0.01%
Assistant Principal (Giffen)	130,917	0.11%
Upgrade Typist to Admin. Asst. (Transportation Dept.)	22,511	0.02%
Total	\$ (2,231,176)	-1.96%

Revenue Adjustments from 2/25/16 to 3/3/16 Budget Update

Description	Dollar Impact	Tax Levy Impact
Smart Bonds Initiative	(2,400,827)	-2.11%
Total	\$ (2,400,827)	-2.11%

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Budget Update 3/3/16 (1 of 2)



Summary (Totals)

Reconciliation from 2/25/16 Budget Draft to 3/3/16 Budget Update	2015-16 Budget	2016-17 Budget	Dollar Change	Percent Change	Change in Tax Levy
Revenues	\$ 223,971,782	\$ 228,205,036	\$4,233,254	1.89%	
Expenses	223,971,782	230,549,616	6,577,834	2.94%	
Projected Deficit		- \$ 2,344,580			2.06%

Note: The last levy needed to close the budget draft at this point in time is 2.06% compared to 1.91% on the last draft.

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Contingency Items (1 of 2)

- Given that final State-aid numbers are not known until the last days of the budget process, prudent financial planning calls for a discussion of additional budget reductions
- It cannot be overemphasized that no decisions have been made regarding budget reductions in any areas about to be discussed
- Generally, only non-mandated (not required by law or regulation) programs and services can be reduced
- We believe in the current programs and services, including non-mandated ones that are vital to learning, and do not recommend reductions

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Contingency Items (2 of 2)

Non-mandated items include:

- Teacher supports such as instructional coaches and professional development, some sports, multiple foreign languages
- CTE programming, elective instructional programs including extended day, other afterschool programs, and alternative middle and high school programs
- Some social emotional student supports
- College programs, band and orchestra at elementary levels, summer school, tutoring, magnet schools

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Reserves and Fund Balance

Reserves:

- Funds set aside to meet expected future payments, or set aside for a specific purpose.
- This tool can be used to help smooth out spikes in the annual budget and in the property tax levy.
- *“The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management.”*
(Local Government Management Guide: Reserve Funds, The Office of the NYS Comptroller.)

Fund Balance:

- The total accumulation of revenues minus expenditures since the inception of the school district, less any withdrawals.
- Fund Balance is equivalent to your lifetime savings.

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2016-17 Budget Planned Use of Reserves and Fund Balance

Planned Use of Resources	2015-16 Budget	2016-17 Budget
Fund Balance	\$ 3,295,000	\$ 4,000,000
Debt Reserve	800,000	800,000
Tax Certiorari Reserve	500,000	500,000
Employee Benefit Reserve	-	150,000
	4,595,000	5,450,000

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2016-17 Tax Cap Calculation

The tax cap simply determines the number of votes needed to pass a school budget.

- If a school district increases the taxes less than or equal to the tax cap, then only a simple majority (50% plus 1 vote) of votes are needed to pass the budget.
- If a school district increases the taxes above the tax cap, then a super majority (60%) of votes are needed to pass the budget.

The tax cap is 0.00% for the 2016-17 fiscal year.

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Review of Documents

- Administrative Additions Under Consideration
- Grant Items Expiring

(Refer to Handouts)

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Discussion

Next Steps

- 3rd Draft Budget issued
- Further discussion of contingency items
- Lobby for additional State-aid



Questions and Comments

- Budget Update
- Reserves and Fund Balance
- Administrative Additions Under Consideration
- Grant Items Expiring