



Budget Presentation 2017-2018 First Draft

March 22, 2017

*Silver Creek Central School District builds
bridges with students linking today's learning
to tomorrow's possibilities.*

Foundational Principles

- Continue to meet present needs and goals with a long-range vision
- Adherence to legal and contractual obligations
- Transparent process involving all stakeholders
- A comprehensive, disciplined, and proactive approach
- Maintain focus on the preservation and enhancement of quality programs and services
- Review and analyze the continued implications of Tax Cap/Tax Freeze legislation

Decision Making Process

- **Make decisions (within our control) which ensure continued alignment of the Board of Education Goals to support the District's CDEP/CSEP plans.**

The Budget Must:

- ▶ Be comprehensive in educational programs available to students
- ▶ Consider the right-sizing and restoration of programs eliminated during the GEA years
- ▶ Maintain the Board's fiduciary responsibility to the taxpayers
- ▶ Maintain a long-sighted conservative approach to ensure both academic and fiscal solvency


The Gap Elimination Adjustment – Silver Creek

School Year	GEA	GEA Restoration	Net GEA
2010–2011	(\$981,086)	\$333,099	(\$647,987)
2011–2012	(\$1,404,128)	\$84,634	(\$1,319,494)
2012–2013	(\$1,167,893)	\$178,272	(\$989,621)
2013–2014	(\$989,621)	\$397,081	(\$592,540)
2014–2015	(\$420,527)	\$242,765	(\$177,762)
2015–2016	(\$177,762)	\$169,421	(\$8,341)
2016–2017	(\$8,341)	\$8,341	\$0.00
		Total 5 Year GEA Reduction:	(\$3,735,745)

Figures provided by QUESTAR₅

NYS Fiscal Crisis led to:

▶ Program and Co-curricular Reductions

- Elimination/Reduction of staff and administrative positions
 - Increased Challenges of Common Core Learning Standards and Annual Professional Performance Review
 - Cut or reduced 39 positions as a result of the underfunding. Students had fewer electives, minimal programming in the arts, gifted and talented experiences, and honors programming or Advanced Placement.
 - Unable to sufficiently fund Academic Intervention Services necessary to increase student performance.
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Staffing Picture Over Time.....

District	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Teachers	110	110	111	103	101	101	102	108
Total Core Classes	299	269	248	237	209	224	203	229
Total Classes	453	426	409	396	382	423	383	417
Total Other Professional Staff	22	25	14	15	4	14	7	13
Total Paraprofessional	23	23	20	21	22	21	26	26
Total Principals	3	3	3	3	3	3	3	3
Total Enrollment	1087	1067	1048	1050	1064	1062	1025	1032
These numbers are from the respective school report card.								
http://data.nysed.gov/								

2017 – 2018

Program and Staff Considerations

- ▶ **1.0 FTE Special Education Teacher**
 - Meet the needs of students, support a co-teach program
- ▶ **1.0 FTE English as a Second Language Teacher**
 - Meet increasing needs of students and recent NYS mandates
- ▶ **1.0 FTE Social Studies Teacher – Elementary**
 - Support curriculum needs at the Elementary Level
- ▶ **4 – 1.0 FTE Teaching Assistants**
 - Provide additional curriculum support and classroom coverage
- ▶ **1.0 FTE School Resource Officer**
 - Work with community partners to support funding of SRO

Other Budgetary Considerations

➤ Technology

- Continuation of iPad 1:1 Program Integration and Maintenance Needs
- Utilizing iPad 1:1 at Upper Elementary grade levels in future

➤ Continue Program Initiatives

- Response to Intervention and Data Driven Instruction
- Character Education and Family Engagement

➤ Capital Expenditures

- Utilize Fund Balance to Reduce Borrowing Costs
- Continuation of Capital Outlay Projects

Financial Considerations

- ▶ Increase funding level and term of Capital Improvements Reserve
- ▶ Unappropriated Fund Balance
 - Considerations for 2017–2018
 - Appropriate amount of Impact Aid of \$411,609
 - Appropriate amount of Capital Outlay up to \$100,000
- ▶ **Uncertainties at the Federal Level**
 - Changes within the US Department of Education
 - ESSA (Formerly NCLB) and IDEA Funding
 - Impact Aid Funding
 - Medicaid Implications

Unfunded Mandates

▶ ERS and TRS Contributions

- ERS rates have remained the same at 16.1%
- TRS rates decreased 2%
 - 15–16 at 11.72% on \$7.8 million salaries = \$920,596
 - 17–18 at 9.8% on \$8.5 million salaries = \$838,430
- Employer contributions required
- Expectation is that rates will begin to increase

▶ Costs associated with APPR

- Continuous Required Training
- Updated Software – updates consistent with legislative changes

Unfunded Mandates

- ▶ **Common Core Learning Standards**
 - Likely to be renamed and released this summer
 - Approximately 60% of the standards will be modified to some degree
 - Anticipated impact on Grades 3 – 8 testing updates
 - In 2 – 3 years computer based testing will be required
- ▶ **Changes to Standards Will Require Additional Staff Development Training**
 - Grade Level Teachers will examine standards and module changes and alignments

2017–2018 Cost–Drivers

	<u>2016–2017</u>	<u>2017–2018</u>	<u>Change</u>	<u>Percent Change</u>
Pension Benefits	\$1,382,362	\$1,317,433	(\$64,929)	–4.7%
Health Insurance	\$2,240,715	\$2,043,350	(\$197,365)	–8.8%
Contractual Salaries	\$10,457,757	\$11,063,231	\$605,474	5.8%

Budget Changes

Proposed Budget

\$23,143,821

- Contractual **(\$4,410)**
- Materials & Supplies **\$11,133**
- Equipment & Buses **(\$110,661)**
- Salary **\$605,472**
- BOCES **\$195,484**
- Benefits **(\$287,323)**
- Debt Service **(\$489,174)**
- Other **(\$691,285)**

Total Budget Changes

(\$770,764)

Proposed Budget Comparison

2016–2017 vs. 2017–2018

3-Part Budget

	2016–2017	2017–2018	Dollar Change	% Change
Administration	\$2,208,683	\$2,304,188	\$95,505	4.32%
Capital	\$4,589,686	\$3,288,411	(\$1,301,275)	–28.35%
Program	<u>\$17,116,214</u>	<u>\$17,116,214</u>	<u>\$435,008</u>	2.54%
	\$23,914,583	\$23,143,821	(\$770,762)	–3.22%

Components of the 3 Part Budget

A Focus on Administration Component

▶ BOE/District Clerk	\$ 22,960	▶ School Assoc. Dues	\$ 10,100
▶ Supt. & Business Office	\$ 658,858	▶ Staff Development/ Instructional Support	\$ 55,538
▶ Legal	\$ 16,000	▶ BOCES Membership	\$ 138,804
▶ Auditing	\$ 20,000	▶ BOCES District-wide Applications & Support	\$ 91,287
▶ Insurance	\$ 86,900	▶ Share of Benefits	\$ 387,185
▶ Personnel/ Central Mailing	\$ 103,681	▶ Total	<u>\$2,304,188</u>
▶ Curriculum Instruction Support	\$ 126,279		
▶ Building Administration	\$ 586,596		

Components of the 3-Part Budget

A Focus on Capital Component

▶ Operations of Plant	\$ 939,633
▶ Maintenance of Plant	\$ 107,731
▶ Transportation – Buses	\$ 468,636
▶ Employee Benefits	\$ 215,103
▶ Debt Service – Bonds	\$ 1,448,916
▶ Debt Service – BANS	\$ 0.00
▶ Transfer to Capital Funds	\$ 100,000
▶ Equipment Leases (Mail Machines)	\$ 5,892
▶ Refund on Property Taxes	<u>\$ 2,500</u>
▶ Total	\$ 3,288,411

Components of the 3-Part Budget

A Focus on Program Component

▶ Teaching Regular School	\$ 6,643,578
▶ Program for Students with Disabilities	\$ 2,853,081
▶ Summer School	\$ 123,667
▶ School Library	\$ 219,770
▶ Guidance / Social Work Psychological Services	\$ 665,819
▶ Occupational Education – BOCES	\$ 679,565
▶ Health Services	\$ 124,891
▶ Computer Assisted Instr.	\$ 1,027,341

▶ Co-Curricular Activities	\$ 79,967
▶ Athletics	\$ 314,887
▶ Transportation	\$1,024,140
▶ Legal	\$ 16,000
▶ Share of Benefits	\$3,778,516
▶ Total	<u>\$17,551,222</u>

Budget Comparison (continued)

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Dollar Change</u>
General Support	\$ 2,171,985	\$ 2,190,311	\$ 18,326
Instruction	\$ 12,685,558	\$ 13,504,935	\$ 819,377
Transportation	\$ 1,633,983	\$ 1,492,776	(\$141,207)
Benefits	\$ 4,668,126	\$ 4,380,803	(\$287,323)
Debt Service	<u>\$ 2,754,931</u>	<u>\$ 1,574,996</u>	<u>(\$ 1,179,935)</u>
Total Budget	\$ 23,914,583	\$ 23,143,821	(\$770,762)

Revenue Sources – Increases

▶ General State Aid

- **4.14% Increase on Foundation Aid**
 - (doesn't include BOCES, Trans Aid, Bldg Aid)
 - **Governor's Budget = \$194,278**
 - **Anticipated Legislative Budget = \$200,000**
 - **Community Schools Aid Set-Aside (Year 2) = \$68,538**
 - For schools designated as a high need
- **–0.15% Increase on BOCES Aid = (\$211,001)**
- **39.3% Increase on Trans Aid = \$385,430**
- **–1.25% Increase (over all) = (\$189,755)**
(doesn't include building aid)

▶ **Local Tax Levy Limit = 1.48% or \$88,295**

Revenue Comparison

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Dollar Change</u>	<u>% Change</u>
State Aid	\$15,068,918	\$14,879,163	(\$189,755)	-1.26
Tax Levy	\$5,975,199	\$6,063,494	\$88,295	1.48%
Native American Aid	\$1,171,976	\$1,125,478	(\$46,498)	-3.97%
Other Revenue	\$ 440,718	\$ 295,836	(\$144,882)	-32.87%
Appropriated Fund Balance & Reserves	\$ <u>1,257,772</u>	\$ <u>779,850</u>	(\$477,922)	-38.00%
	\$ 23,914,583	\$ 23,143,821	(\$770,762)	-3.22%

Use of Fund Balance and Reserves

- ▶ Fund balance is a critical tool for any organization to plan for the unexpected
- ▶ Reserves are savings for specific, legally-designated purposes
- ▶ Neither reserves nor fund balance should be used to sustain long-term costs
- ▶ Using them requires
 - an “exit plan”
 - multiple-year planning
- ▶ Part of our 3-year budget planning process and 10-year Reserve Plan

Proposed 2017–2018 Reserve Allocation

Proposed Allocation from Reserves:

EBALR	\$ 0
ERS	\$ 45,817
Unemployment	\$ 0
Worker's Compensation	\$ 0
Property Loss	\$ 0
Tax Certiorari	\$ 0
Capital Vehicle	<u>\$ 222,424*</u>
	\$ 268,241

* Proposition Two – Two Large Buses

Levy Options – Simple Majority Vote

	Levy Amount	Dollar Increase	Percent Increase
2016–2017 Final Tax Levy	\$5,975,199		
2017–2018 Levy at 2% Increase	\$6,094,703	\$119,504	2%
Levy Limit Without Exclusions With Carryover	\$6,063,494	\$88,295	1.48%
Levy Limit With Exclusions and Carryover	\$6,063,494	\$88,295	1.48%

Budget & Estimated Tax Rate Impact 2016–2017 to 2017–2018

Proposed Budget	\$23,143,821
Budget to Budget increase	–3.22%

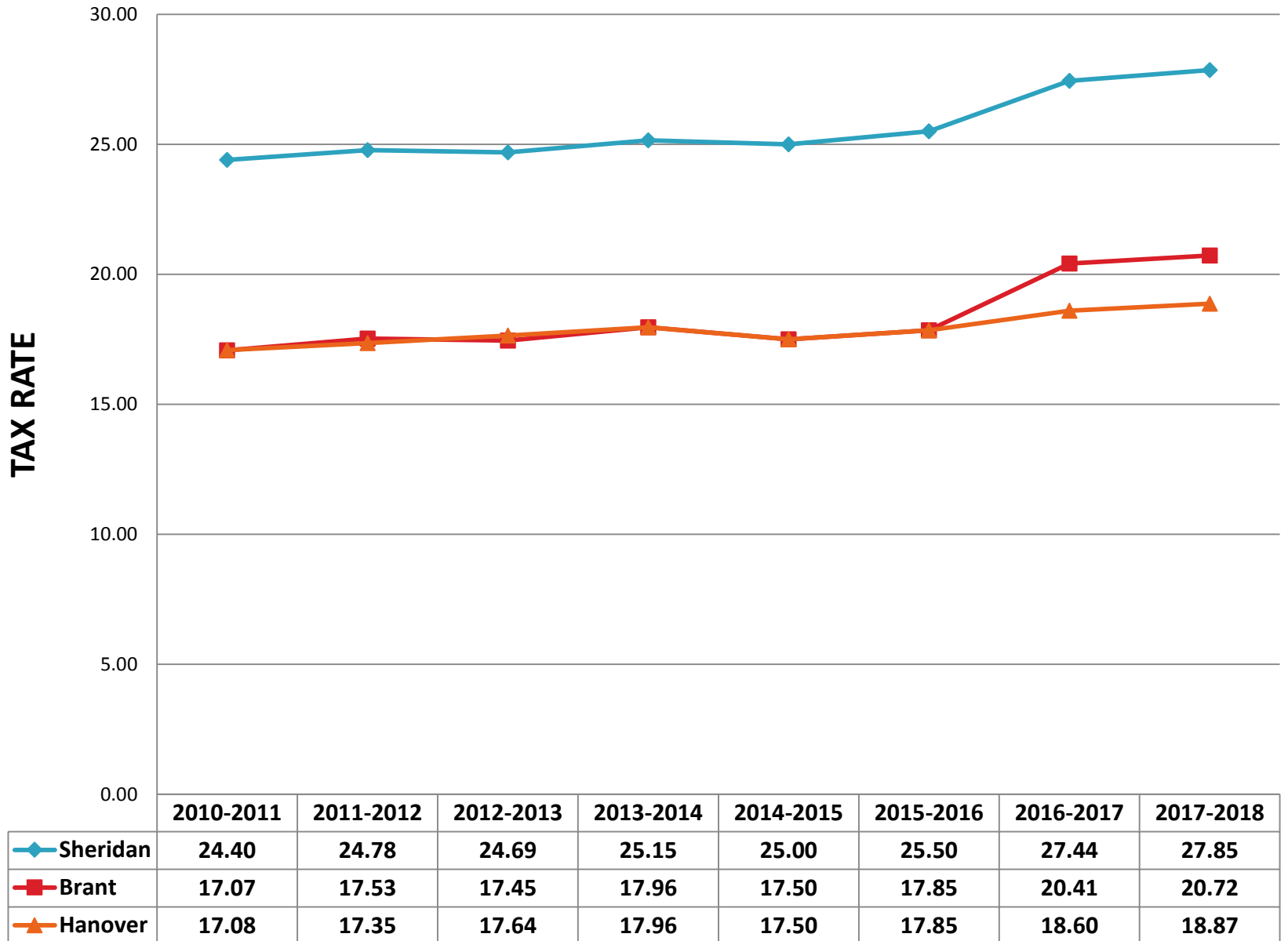
Proposed Tax Levy	\$ 6,063,494
Total Tax Levy increase	\$ 88,295
Proposed Tax Levy increase	1.48%

Full Value Tax Rate increase	1.5%
Full Value Tax Rate increase	\$0.25

2017–2018 Tax Rate Summary

- ▶ **Estimated Full Value Tax Rate: \$16.99**
 - 1.5% increase on full value tax rate from
 - 2016–2017 actual to 2017–2018 estimate
- ▶ **\$0.25 increase on true value (100% valuation)**
- ▶ **Towns of Hanover and Brant equalized at 90% for \$0.27 increase**
 - For a \$60,000 home = \$16.20 increase
 - For a \$100,000 home = \$27.00 increase
- ▶ **Sheridan equalized at 61% for \$0.41 increase**
 - For a \$60,000 home = \$24.60 increase
 - For a \$100,000 home = \$41.00 increase

EIGHT YEAR TAX RATE HISTORY



2017–2018 Budget Propositions

Prop. #1: Proposed Budget \$23,143,821

**Prop. #2: Authorization to amend terms of
Capital Improvement Reserve to 10–years and
to \$2,400,000 plus interest funding level.**

**In May 2008, the voters authorized the establishment of the
Capital Improvement Reserve to help maintain our buildings.
Amending the current reserve extends the useful life 10 years
and allows the District to allocate to the reserve additional
excess fund balance to offset the cost of future projects.**

2017–2018 Budget Propositions

Prop. #3: Authorization to expend \$222,424 from the Vehicle Reserve

This Capital Reserve for Vehicles was authorized by the voters in May 2013 for the purpose of maintaining our vehicle replacement schedule without increasing taxes.

It is important for voters to remember that authorizing the expenditure from the Vehicle Reserve and amending the Capital Improvement Reserve will have a zero impact on our local tax levy.

2017–2018 Budget Vote

- ▶ **May 16th, 2017**
- ▶ **1:00 p.m. to 9:00 p.m.**
- ▶ **Voting to be held in the High School lobby**
- ▶ **Must be a qualified voter**
- ▶ **1 Board of Education Seat up for Election**



2017-2018 Budget Development Considerations

- ▶ The Board of Education will continue to review expenditure alternatives and their impact on the instructional program and management of the District.
- ▶ Decisions will be contingent upon:
 - Further review of estimated expenditures
 - Updated revenue projections
 - Legislation affecting the budget development process
- ▶ Further considerations will include the impact of projected revenues; changes in State aid; and local property tax levy limitations



2017-2018 Budget Development Considerations

Thank You

**Questions
&
Discussion**