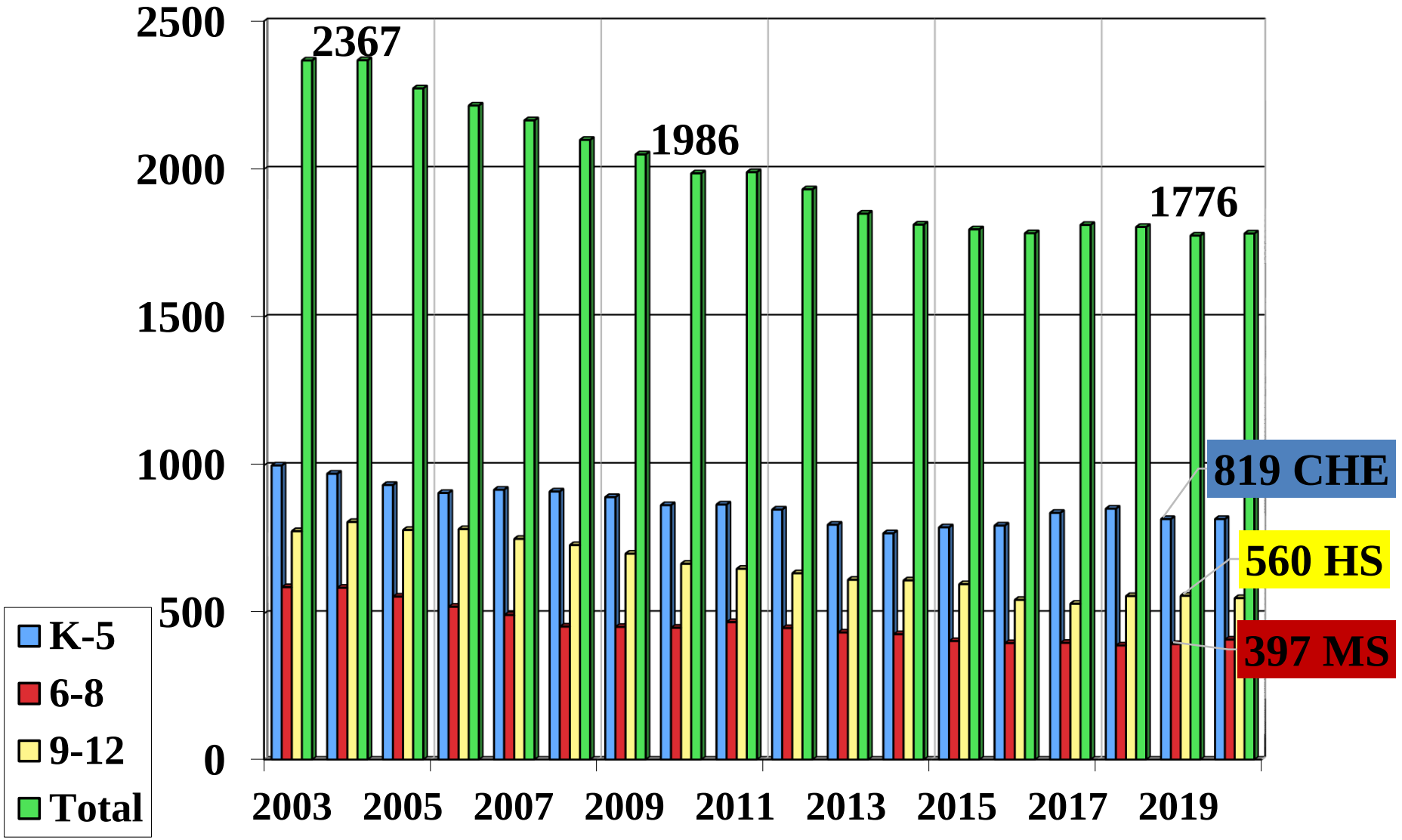
2019 – 2020 Budget Development

Depew Union Free School District

Budget Reductions Since 2010

School Year	Reductions	Enrollment
2010-2011	***$2,018,287***	***1986***
2011-2012	***$1,468,541***	***1990***
2012-2013	***$603,876***	***1932***
2013-2014	***$584,748***	***1850***
2014-2015	***$1,003,668***	***1813***
2015-2016	***$530,376***	***1797***
2016-2017	***$114,758***	***1803***
2017-2018	***$0.00***	***1812***
2018-2019	***$536,402***	***1805***
2019-2020	***$939,700***	***1776***
Total	***$7,800,356***	
Full Time Equivalents (F.T.Es) (7 % reduction in staffing)	***31.6***	***-210 (11%)***

Enrollment:


2500
2000
1500
1000
500
0
2367
1986
1776
819 CHE
560 HS
397 MS
K-5
6-8
9-12
Total
2003
2005
2007
2009
2011
2013
2015
2017
2019

2019 – 2020 Budget Plan

Major Budget Increases In the Proposed 2019-2020 Budget Plan

(Expenditures For Which There is Minimal or No District Control)

Item	Dollar Amount Increase	Percent Increase
Teachers' Retirement System (TRS)	($46,733)	-2.77%
Employees' Retirement System (ERS)	$5,208	0.63%
Health Insurance (Projected 11/2018)	$109,658	2.00%
Negotiated Salaries	$766,187	3.78%
Total Increase	**$834,320**	**2.95%**

Advocacy Landscape for 2019-2020
A Sustainability Agenda:

- **State Aid**: Update and phase-in the Foundation Aid formula. **FAILED**
- **Tax Cap:** Amend the formula to support multi-year planning (Allowing for more exemptions). **FAILED**
- **Mandate Relief:** "Maximizing Resources" to benefit students ("Change your rules or fund your rules"). **FAILED**
- **Reserves: Give schools tools like those available to municipalities (Creating a TRS Reserve). PASSED**
- The final budget plan totaled an increase of **$960 million** over the 2018-19 amounts. After $2.1 Billion was requested and supported by The Educational Conference Board.

Reserve for Teacher Retirement Contributions

- Effective April 1, 2019 the law allows school districts and BOCES to establish a retirement contribution reserve fund to include amounts payable to the New York State Teachers Retirement System(TRS) in addition to amounts payable for the local Employees' Retirement System(ERS).

- Allows establishing a TRS sub-fund
  - Not to exceed 2% of teacher salaries in the prior year
  - the total balance may not exceed 10%

- Will recommend to the Board of Education at the May 28th regular meeting to establish the TRS sub-fund.

- Will set aside surplus funds to authorize the funding of the TRS sub-fund at the June 18th Board of Education regular meeting.

2019 – 2020 Budget Plan

Major Budget Changes In the Proposed 2019-2020 Budget Plan

(Revenue For Which There is Minimal or No District Control)

Item	Change in Dollar Amount	Percent Difference
NYS State Aid	$456,224	2.27%
Tax Levy (estimated maximum allowable tax cap)	$245,147	1.37%
Fund Balance and Reserves (compared use to current year)	$320,704	10.39%
Total Increase	**$1,022,075**	2.49%

Tax Levy

Tax Levy Cap Formula

- Allowable Levy Growth Factor = the lessor of 2% or the inflationary change using the CPI-U – **2.44%** (Actual as of 2/1/19). Therefore, the base is 2% before exemptions.
- There is a formula to determine each District's Cap.

2018-2019 Tax Levy	$17,886,910	
Tax Base Growth Factor:	**X1.0010**	Office of Real Property Tax Services
Tax Base Growth Amount:	**+$17,887**	
2018-2019 PILOTS	**+151,265**	6 PILOTS
2018-2019 Capital Expense within Local Budget	**-$129,205**	Per OSC
Adjusted Current Year Levy	**$17,926,857**	
Allowable Levy Growth Factor:	**X2.00%**	CPI or 2% Max
Allowable Levy Growth Amount:	**+$358,537**	
EST. 2019-2020 PILOTS	**-$153,337**	**Projected 6 properties**
Eligible carry over from prior year	**$0.00**	
Tax Levy before Adjustments/ Exemptions	**$18,132,057**	**$245,147 / 1.3705%**

Tax Levy Cap Formula

- Under the law, a District can utilize specific exemptions toward the Tax Levy Cap.
- Depew can not utilize ERS/TRS Pension, Capital Expense or Judgments.

Levy Limit BEFORE Exemptions	$18,132,057	$245,147 / 1.3705%
2019-2020 Pension (ERS) > 2%	**+ $0.00**	ACTUAL
2019-2020 Pension (TRS) > 2%	**+ $0.00**	ACTUAL
2019-2020 Capital Expense within Local Budget	**+ $0.00**	ACTUAL
2019-2020 Torts/Judgments > 5%	**+ $0.00**	ACTUAL
Total Levy Cap Exclusions	**$0.00**	ACTUAL
2019-2020 Total Tax Levy with Exemptions	**$18,132,057**	ACTUAL
2019-2020 Allowable Tax Impact Increase	**$245,147**	ACTUAL
2019-2020 Allowable Tax Levy Increase	**1.37%**	Maximum Levy after exemptions

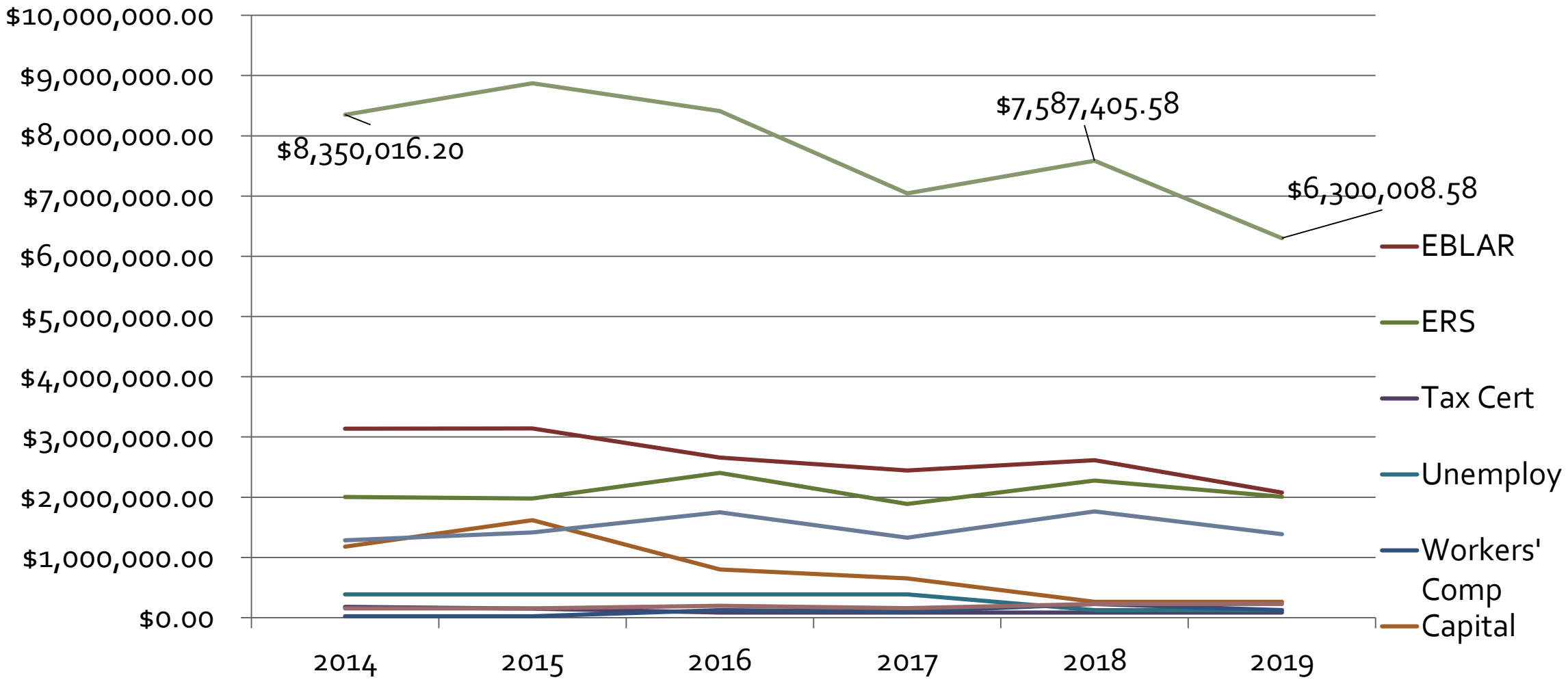
Why not recommend to go above the Tax Levy Cap?

- Climate to go above the cap proves to be a high risk with very few districts being successful in going over the tax levy cap.
- Depew's Combined Wealth Ration (CWR) is **.646**, which is the 9th lowest out of 28 Erie County School Districts.
- Depew's Free and Reduced Lunch Percentage for Kindergarten through 6th grade is **52%**, which is ranked 4th highest in Erie County.

Use of Reserves

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Employee Benefit Accrued Liability Reserve	$3,139,639.80	$3,141,680.57	$2,659,864.50	$2,442,134.57	$2,613,295.23	**-$537,600**
ERS Reserve	$2,003,188.65	$1,979,490.72	$2,405,377.19	$1,888,796.19	$2,275,999.40	**-$270,000**
Tax Certiorari Reserve	$178,074.86	$152,301.61	$86,459.19	$86,632.11	$86,760.19	**$0.00**
Unemployment Reserve	$387,028.05	$387,279.62	$387,557.72	$388,332.84	$126,330.63	**$0.00**
Workers' Comp Reserve	$24,648.89	$24,664.91	$124,682.63	$100,884.00	$226,052.11	**-$100,000**
Capital Improvement Reserve 2016	$1,180,993.30	$1,620,270.95	$800,044.24	$651,644.33	$264,826.59	**$0.00**
Capital Reserve for Vehicles & Equipment 2016	$1,283,704.86	$1,415,537.10	$1,749,659.10	$1,329,680.15	$1,765,705.05	**-$379,797**
Repair Reserve	$152,737.79	$152,837.07	$197,922.34	$158,238.19	$228,436.38	**$0.00**
Grand Total All Reserves at Year End	$8,350,016.20	$8,874,062.54	$8,411,566.92	$7,046,342.38	$7,587,405.58	**-$1,287,397**

Use of Reserves



2019-2020 Budget Requests

Rank	Program	Amount	Faculty/Staff	Notes
		Prioritized Order		
1	School Resource Officer	$85,000	1.0 FTE	Continue with the SRO Initiative
2	CHE New Staffing	$133,066	2.0 FTE	1.0 FTE due to increased enrollment and an established need for 1.0 FTE TA in Kindergarten
3	Technology New Staffing	$80,262	1.0 FTE	New position Senior Micro Tech to assist with increased demands with Technology needs and decreased use of BOCES services
4	Intramurals	$15,000	0.0 FTE	This expenditure was in the PEP grant
5	Girls Lacrosse	$8,290	0.0 FTE	Adding Girls' Lacrosse to compliment the Boys' Lacrosse Program
6	Boys Ice Hockey	$25,000	0.0 FTE	Adding Boys' Ice Hockey to compliment the Girls' Ice Hockey Program
7	M.S. Monitor Hours	$9,874	0.0 FTE	Increase monitor hours from 2.5 to 3.5 to cover hallway / cafeteria
8	H.S. Supervision Hours	$10,087	0.0 FTE	Increase hours for supervision at extra-curricular events
9	H.S. Equipment / Supplies	$18,252	0.0 FTE	Furniture upgrade in Library to increase multi-purpose use and supplies
10	M.S. Equipment / Supplies	$14,482	0.0 FTE	Classroom furniture replacement/upgrades and supplies
11	CHE Supplies	$7,000	0.0 FTE	Increase classroom supplies due to enrollment
12	BAN Interest Payment	$202,045	0.0 FTE	This is the initial temporary financing to guarantee cash flow for Phase 2 prior to bonding and will be covered by our generated building aid
13	District-Wide Equipment	$37,510	0.0 FTE	Equipment and furniture replacement / upgrades, including athletic equipment and choral risers
14	Technology Contract Upgrades	$23,886	0.0 FTE	Update current vendor contracts and reduce BOCES services
15	Buildings and Grounds Contractual and Equipment Upgrades	$41,200	0.0 FTE	Various equipment (scrubber, tractor cab, pallet jack and vacuum) and Traffic Signal / Parking Lot Drain Upgrades
	TOTAL:	**$710,954**	**4.0 FTE**	

Initial 2019-2020 Budget Gap

Proposed Budget	Revenues	Budget Shortfall
$45,606,052	$44,666,352	$939,700

Reduction of Budget to Budget Expenditures and New Requests

Rank	Program	Cut Amount	Faculty/Staff	Notes
1	Various Benefit Reductions and Retirement Breakage	**-$743,024**	0.0 FTE	Aligning Budgeted Amounts and Verified 19/20 Costs in the areas of Health Insurance, including increased contributions; Pharmacy rebates; TRS; Workers Comp. and Breakage in Retirement
2	BOCES Reductions	**-$35,326**	0.0 FTE	Decrease to Contractual and Participation Services
3	Special Education Out of District Placements	**-$130,515**	0.0 FTE	As a result of CSE meetings and new placements back in District
4	Bldg. supplies paid by Federal Grants	**-$14,500**	0.0 FTE	Shifted supply expenditures from General Fund to Federal Grants
5	Staffing Adjustment	**-$6,335**	0.33 FTE	Reduced need in the Print Shop and shift 0.33 FTE (2.5hrs.) to cover a vacant Cafeteria Monitor position
6	Textbook Reduction	**-$10,000**	0.0 FTE	Reduced need due to implementation of 1:1 Computing
	TOTAL:	**-$939,700**	**-0.33 FTE**	

Rationale for Reductions:

1.Protect Programming for Students

2.Protect Reasonable Class Size and at the same time adhere to Contractual Limits

3.Maximize District Resources and Efficiencies

4.Review and Evaluate Needs versus Wants

5.Review and Evaluate Budgeting and Spending 3 Year Trends

To Fill The Gap…

1. Identify the amount of proposed and final state aid.

2. Then reduce the amount of new budget requests, in a reverse prioritized order.

3. Then, if needed, implement further budget reductions within the current budget in a prioritized order.

4. Or, reduce a combination of both lists.

Current 2019-2020 Budget Gap

Proposed Budget	Revenues	Budget Shortfall
$44,666,352	44,666,352	$0.00

Vehicle Reserve

•On May 19, 2009 voters approved the establishment of a Vehicle Purchase Reserve Fund and again on December 13, 2016 the voters re-established this fund.

•Excess funds have been placed in this reserve for future purchases of school buses and equipment.

•This reserve fund allows the District to make bus or equipment purchases that do not affect the amount of the current budget proposal or the tax levy.

•The District also receives State Aid for bus purchases in the subsequent years. This aid continues to support the bus replacement program.

Bus Purchasing

Years	Bus Purchase	Total Aid	Interest Received
2012-2013	$372,190	$386,420	$14,230
2013-2014	$431,528	$448,000	$16,472
2014-2015	$303,264	$315,910	$12,646
2015-2016	$269,001	$280,230	$11,229
2016-2017	$281,719	$293,380	$11,661
2017-2018	$367,326	$387,840	$20,514
2018-2019	$291,901	$308,247	$16,346 (Estimated)
2019-2020	$379,797	$401,066	$21,269 (Estimated)
TOTAL	$2,696,726	$2,821,093	$124,367

Bus Purchasing

Vehicle Purchase from Reserve Fund	**$379,797**
66-Passenger Buses with Wi-Fi **(2 with luggage compartments for sports equipment)**	**3**
Surplused Vehicles *with over 166,000 miles*	**3**

Capital Outlay $100,000 Projects

- In order to address issues outlined in the Building Conditions Survey, in a responsible and sustained manner over a period of time, the District continues to utilize the benefit of its $100,000 Capital Outlay Projects, which began with the 2016-2017 budget year.

- A $100,000 Capital Outlay Project is an opportunity to institute Capital improvement projects that cost no more than $100,000 and is preferably covered under one trade (i.e. Architectural, Mechanical, Electrical, Plumbing or Civil). A district must show this expenditure in its annual budget plan and will then receive aid in the following aid year. A district may receive aid for a maximum of one such project in an aid year.

- As the district completes these projects on an annual basis, the aid begins to cover 80% of each project.

Capital Outlay $100,000 Projects

Year	Cost	Aid	Total Cost
1	$100,000	$0.00	$100,000
2	$100,000	$80,000	$20,000
3	$100,000	$80,000	$20,000
4	$100,000	$80,000	$20,000
5	$100,000	$80,000	$20,000
6	$100,000	$80,000	$20,000
7	$100,000	$80,000	$20,000
8	$100,000	$80,000	$20,000
9	$100,000	$80,000	$20,000
10	$100,000	$80,000	$20,000
Total	**$1,000,000**	**$720,000**	**$280,000**

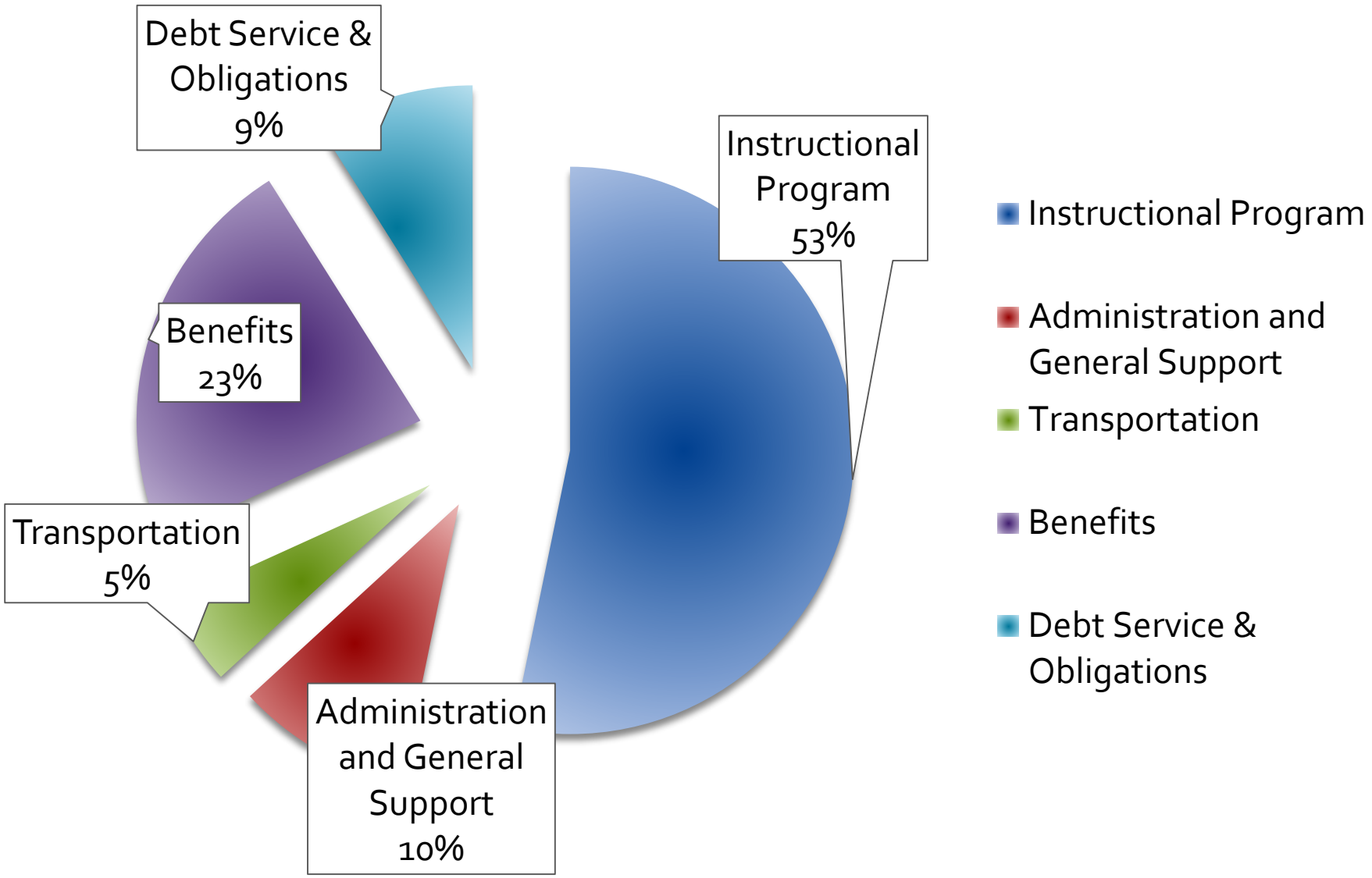
Capital Outlay $100,000 Projects

- Capital Outlay work being anticipated within the 2019-2020 Budget Plan will include, but not necessarily be limited to modest upgrades and improvements to:
  - *the High School gymnasium (replacement of windows and basketball backboards);*
  - *building security upgrades to various interior and exterior doors at the High School (installation of electronic control access panels).*

Expenditures

Area	2018-2019 Actual	2019-2020 Proposed	Difference
Administration & General Support	$4,391,841	$4,437,846	$46,005
Instructional	$23,002,335	$23,780,062	$777,727
Transportation	$2,250,171	$2,252,671	$2,500
Benefits	$10,089,353	$10,195,464	$106,111
Debt Service	$3,942,717	$4,000,309	$57,592
Total General Fund Budget	$43,676,417	$44,666,352	$989,935
Vehicle Reserve Purchases	$291,901	$379,797	$87,896
Total General Fund Budget with Vehicles	$43,968,318	$45,046,149	$1,077,831

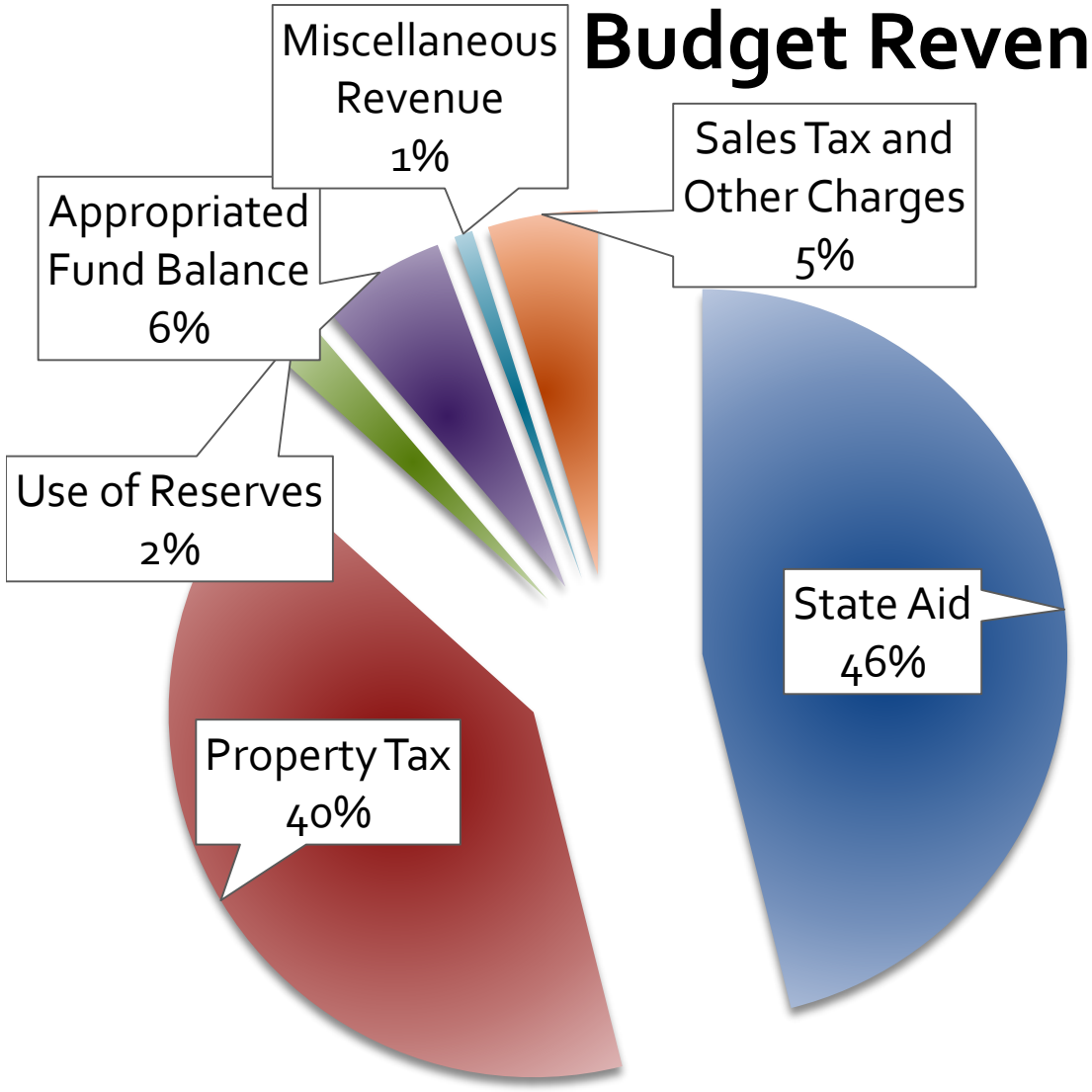
Budget Expenditures



Revenues

Area	2018-2019 Actual	2019-2020 Proposed	Difference
State Aid	$20,130,906	$20,587,130	$456,224
Sales Tax & Other Charges	$2,250,546	$2,174,006	-$76,540
Appropriated Fund Balance	$2,500,000	$2,500,000	$0.00
Use of Reserves	$586,896	$907,600	$320,704
Miscellaneous Revenue	$321,159	$365,559	$44,400
Tax Levy	$17,886,910	$18,132,057	$245,147
Total General Fund Budget	$43,676,417	$44,666,352	$989,935

Budget Revenue



- State Aid
- Property Tax
- Use of Reserves
- Appropriated Fund Balance
- Miscellaneous Revenue
- Sales Tax and Other Charges

Three Part Budget

Area	2018-2019	2019-2020	Percentage
Administration	$3,886,411	$3,883,063	**-0.09%**
Program	$32,755,341	$33,717,834	**2.94%**
Capital	$7,034,665	$7,065,455	**0.44%**
Total Budget	$43,676,417	$44,666,352	**2.27%**
Budget Dollar Change		**$989,935**	

Estimated Tax Rate Considering No Change to Assessments

Town	2016-2017 Tax Rate	2017-2018 Tax Rate	2017-2018 Dollar Change	2018-2019 Tax Rate	2018-2019 Dollar Change	2019-2020 Tax Rate *Estimated	2019-2020 Dollar Change	2019-2020 Percent Change
Full Value (100%)	$21.33	$21.23	-$0.10	$20.19	-$1.04	**$18.45**	**-$1.74**	**-8.63%**
Cheektowaga (85%)	$21.33	$21.23	-$0.10	$21.71	$0.48	**$21.70**	**-$0.01**	**-0.0252%**
Lancaster (77%)	$22.45	$23.08	$0.63	$22.94	-$0.14	**$23.96**	**$1.02**	**4.4283%**

Variables Impacting the Projection of the Tax Levy, Tax Rate and Tax Bill *Under District Control, To Some Degree*

	Tax Levy	Tax Rate	Tax Bill
Expenditures ↓	↓	↓	↓
Expenditures ↑	↑	↑	↑

Variables Impacting the Projection of the Tax Levy, Tax Rate and Tax Bill ***Not Under District Control***

	Tax Levy	Tax Rate	Tax Bill
Revenues ↑	↓	↓	↓
Revenues ↓	↑	↑	↑

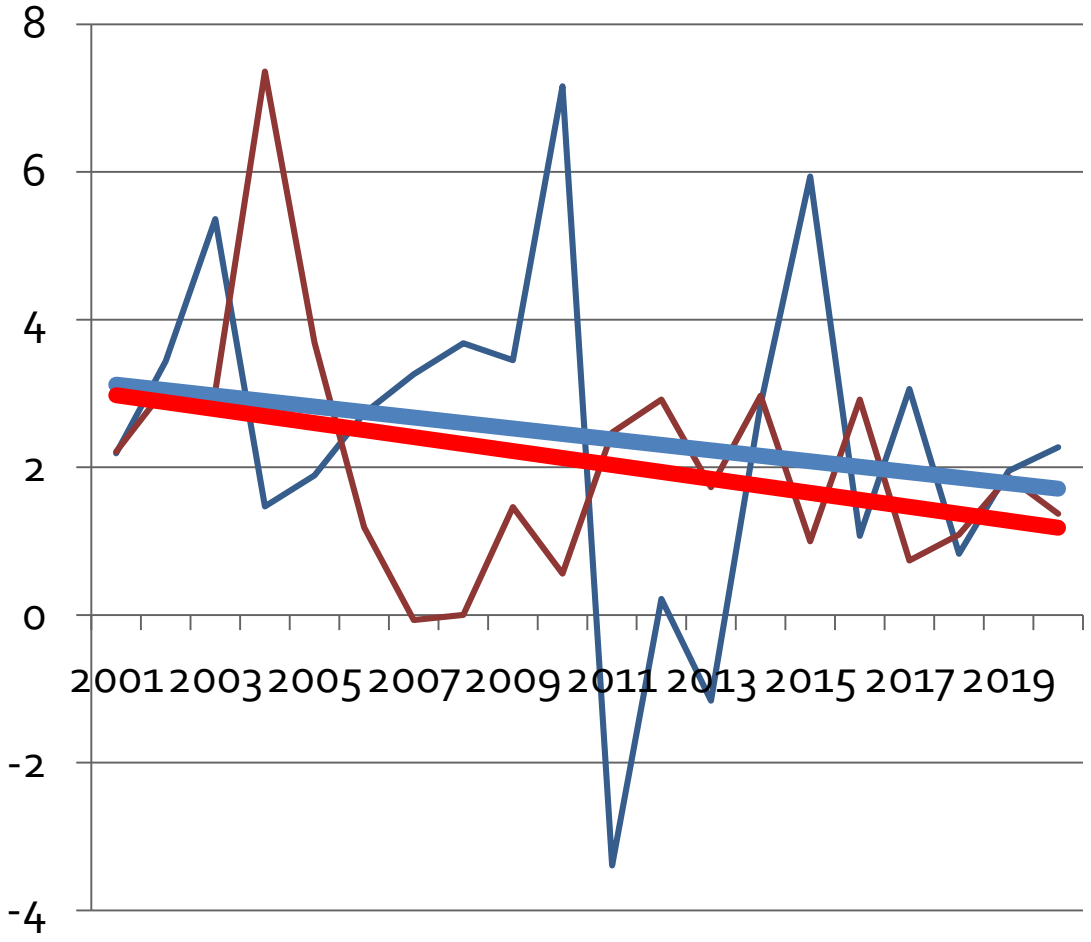
Variables Impacting the Projection of the Tax Levy, Tax Rate and Tax Bill ***Not Under District Control***

	Tax Levy	Tax Rate	Tax Bill
Total Assessments ↑	**No Impact**	↓	↓
Total Assessments ↓	**No Impact**	↑	↑

*Estimated Changes in 2019 – 2020 Property Tax Bills

Home Assessed Value	2018-2019 Home Assessed Value with Equalization Rate Applied	2018-2019 Tax Bill	2019-2020 Home Assessed Value with Equalization Rate Applied	2019-20120 Tax Bill	*Estimated Change In Property Tax Bills
$100,000	Cheektowaga (93%) $107,526.88	Cheektowaga $2,333.97	Cheektowaga (85%) $117,647.06	Cheektowaga $2,553.00	$219.02
$100,000	Lancaster (88%) $113,636.36	Lancaster $2,606.73	Lancaster (77%) $129,870.13	Lancaster $3,111.05	$504.32

Budget History



Average Tax Levy Increase since 2001 has been <u>2.08%</u> with an average budget increase of <u>2.41%</u>

- Percent Budget Increase
- Percent Tax Levy Increase
- Linear (Percent Budget Increase)
- Linear (Percent Tax Levy Increase)

Propositions

1.) BUDGET

Proposed Budget	**$44,666,352**
Budget to Budget Percent Change	**2.27%**
Budget to Budget Dollar Change	**$989,935**
Tax Levy	**$18,132,057**
Tax Levy Increase	**$245,147**
Tax Levy Percent Increase	**1.37%**

2.) VEHICLES

Vehicle Purchase from Reserve Fund	**$379,797**
66-Passenger Buses with Wi-Fi (2 with luggage compartments)	**3**
Surplused Vehicles *with over 166,000 miles*	**3**

Contingency Budget

(Excluding Vehicles)

Current Proposed Budget *Tax Levy 1.37%*	Contingency Cap Budget *Tax Levy 0.00%*
$44,666,352	$44,421,205
2.27%	1.71%
$989,935	$744,788
	Non-Union Salary Increases: *-$21,205*
	Equipment (except State Aided Hardware & Health/Wellness equipment): *-$123,942*
	Additional reductions from budget requests (Capital Outlay): *-$100,000*
Total Reduction:	-$245,147

Under a Contingency Budget there would be no community use of our facilities without full reimbursement of expenses.

Board of Education

There are three Board of Education seats up for election, each for three-year terms:

- 1a. Pat Law
- 2a. John Spencer
- 3a. Todd Bush

Budget Vote Date

Annual School Budget
Vote Day Is:

Tuesday, May 21, 2019

Noon till 9:00pm

At
Cayuga Heights Elementary
Library

Voter Eligibility

- You must be a citizen of the United States.
- You must be 18 years of age.
- You must be a resident of the school district for a period of 30 days immediately prior to the vote.
- Please bring proof of residency to be eligible to vote.

QUESTIONS