

BRIGHTON CENTRAL SCHOOL DISTRICT
Preliminary Budget Discussion
2016-17



Presented to the
Board of Education
January 26, 2016

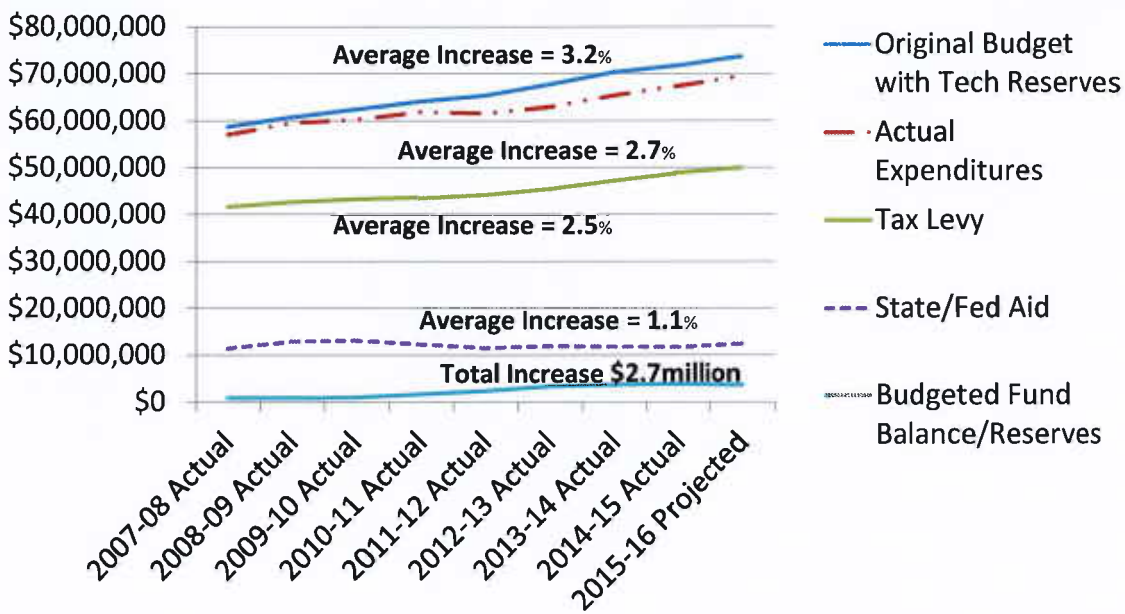


2016-17 Preliminary Budget Preview





Financial Trends





2016-17 Preliminary Budget (Object Summary)



Object Groupings	2016-17 Preliminary	2015-16 Budget	Estimated Change	% Change
Salaries	\$ 36,011,111	\$ 34,904,579	\$ 1,106,532	3.2%
Benefits	20,659,774	19,662,670	997,104	5.1%
BOCES Programs and Support	7,312,659	6,703,290	609,369	9.1%
General Support Costs	2,685,792	2,617,172	68,620	2.6%
Instructional Materials and Services	3,903,372	3,624,317	279,055	7.7%
Transportation Services	2,990,068	2,915,843	74,225	2.5%
Debt and Transfers	1,551,244	1,451,244	100,000	6.9%
	\$ 75,114,020	\$ 71,879,115	\$ 3,234,905	4.5%

Object Groupings	2016-17 Preliminary	% of Total	2015-16 Budget	% of Total
Salaries	\$ 36,011,111	48%	\$ 34,904,579	49%
Benefits	20,659,774	28%	19,662,670	27%
Salaries and Benefits	\$ 56,670,885	76%	\$ 54,567,249	76%
BOCES Programs and Support	7,312,659	10%	6,703,290	9%
General Support Costs	2,685,792	4%	2,617,172	4%
Instructional Materials and Services	3,903,372	5%	3,624,317	5%
Transportation Services	2,990,068	4%	2,915,843	4%
Debt and Capital	1,551,244	2%	1,451,244	2%
	\$ 75,114,020		\$ 71,879,115	



Factors Impacting Salaries



Preliminary Increase of \$1,105,891, or 3.17%

1. Contractual Increases = \$918,000 (2.6%)
2. New Positions Proposed = 7.6 FTE \$456,000 (1.3%)
 - a) TCMS enrollment +2.0
 - b) ESOL support in response to mandates = +1.0
 - c) Course selection reserve at BHS = +1.0
 - d) CRPS mandated AIS supports = +1.0
 - e) Technology integration specialist = +1.0
 - f) Curriculum development/leadership = +1.6
3. Continue to plan for Full Day K to avoid spike = \$120,000 (0.35%)
4. Breakage and other budget allocations -\$388,000 (-1.1%)



Factors Impacting Benefits



	2015-16	2016-17	\$ Change	% Change
Health Insurances	\$10,955,792	\$11,988,801	\$1,033,009	9.4%
Retirement	\$5,469,102	\$5,324,102	-\$145,000	-2.7%
Payroll Taxes	\$2,714,342	\$2,800,387	\$86,045	3.2%
Workers Comp	\$270,284	\$318,284	\$48,000	17.8%
Other Benefits	\$253,150	\$228,200	-\$24,950	-9.9%
	\$19,662,670	\$20,659,774	\$997,104	5.1%

- 1) Medical inflation for RASHP II consortium is 6%; >65 plans increase 15-25%
- 2) Increase in the number of participants on District health insurance plans
 - increased number of active employees
 - increase in the number of retirees
- 3) TRS rate to decrease from 13.26% to 11.50%-12.00% (-9.5%)
- 4) Workers compensation rates increased as well as District's mod rating



Factors Impacting BOCES

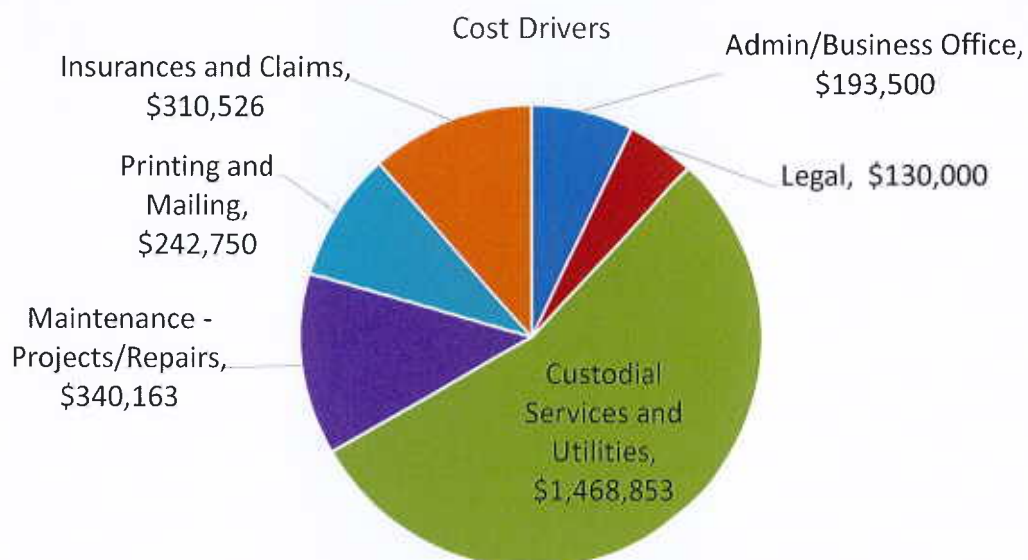


	2015-16	2016-17	\$ Change	% Change
Business Functions - Contractual	\$662,500	\$671,140	\$8,640	1.3%
Admin and Capital	\$610,144	\$624,279	\$14,135	2.3%
Occ Education	\$322,735	\$378,061	\$55,326	17.1%
Special Education	\$3,398,695	\$3,845,775	\$447,080	13.2%
Technology	\$282,782	\$311,731	\$28,949	10.2%
Transportation	\$717,325	\$720,065	\$2,740	0.4%
All Other BOCES	\$709,109	\$761,608	\$52,499	7.4%
	\$6,703,290	\$7,312,659	\$609,369	9.1%

- 1) BOCES has similar cost drivers to contend with
- 2) Increase in the number of students participating in occupational education programs
- 3) Special education is driven by severity of the needs – enrollment relatively stable
 - need to maintain appropriate provision for risk
- 4) Technology budget factors in increased repair cost for 1:1 initiatives
- 5) General education cost drivers include large provision for ESOL services in private and parochial schools



Factors Impacting General Support



Preliminary General Support = \$2.6 million or 4% of total Budget
 Estimated increase = \$69,000, or -2.6% - utilities and maintenance



Factors Impacting Instructional Supplies and Services



Preliminary Increase of \$279,000, or 7.7%

- Equipment requisitions total \$363,000
 - Includes:
 - Phase II of upgrades to BHS Library
 - Classroom furniture
 - Musical Instruments
 - Expansion of robotics program
 - Maintenance equipment
- Other Cost Drivers
 - Textbooks - \$195,000 increase for K-5 Math and 6-12 Spanish
 - Assessment
 - Tutoring services
 - Instructional supplies



Factors Impacting Transportation



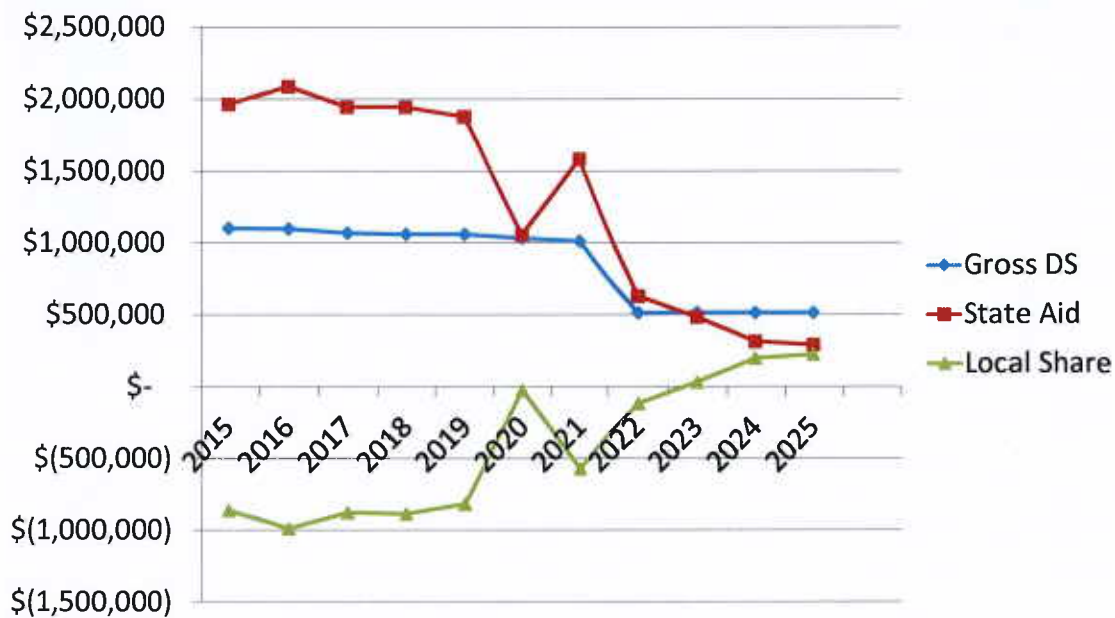
Preliminary increase of \$74,000, or 2.5%

- Recent bid changed structure of contract
 - District responsible for fuel
 - Billing is based on 15 minute increments
 - Extra 15 minutes per route = \$3,400 per year
 - Opportunities exist to reduce costs, but requires changes to service:
 - * Day car accommodations
 - * Home-to-bus stops distances
 - * Transportation to private and parochial schools on days when BCSD is closed
- Operating risk exists for:
 - Mandated special transportation services
 - Expansion of out-of-district private and parochial placements
 - Change in bell times
 - Fuel price increases

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Factors Impacting Capital





State Aid



	2015-16 State Budget	2015-16 Exec Budget	Adjustments	2016-17 Estimate Budget	\$ Change
Foundation Aid	\$6,455,175	\$6,455,607	-\$76,000	\$6,379,607	-\$75,568
Gap Elimination, Net	(1,047,845)	(712,781)		-\$712,781	\$335,064
Urban Suburban Aid	451,124	451,124		\$451,124	\$0
Transportation Aid	1,667,650	2,191,697	(120,000)	\$2,071,697	\$404,047
Excess Cost Aids	807,648	867,919		\$867,919	\$60,271
Instructional Aids	440,639	440,986		\$440,986	\$347
BOCES Aid	1,594,456	1,700,151	(150,000)	\$1,550,151	-\$44,305
Total State Aid	\$10,368,847	\$11,394,703	-\$346,000	\$11,048,703	\$679,856
Building Aid	\$1,983,801	\$1,968,117	-\$60,000	\$1,908,117	-\$75,684
Total State Aid	\$12,352,648	\$13,362,820	-\$406,000	\$12,956,820	\$604,172

Change in Foundation Aid and decreases in GEA allow for 0.5% increase in spending. Increase in categorical aids are earmarked to reduce property tax burden.



Impact of the State Budgets

Foundation Aid:

The State has frozen and deferred its obligations under the Foundation Aid formula since 2008-09. The result is that Brighton is receiving \$5.49 million less than it is entitled to.

This is an 11.0% shift to local property taxpayers.

Enacted State Budget/School Year	Current Year Aid	Full Phase-in Level	Estimated Full Phase-In Year
2007-08	\$5,164,815	\$9,971,236	2010-11
2008-09	\$5,930,584	\$10,301,549	2010-11
2009-10	\$5,930,584	\$11,988,793	2013-14
2010-11	\$5,930,584	\$11,953,413	2013-14
2011-12	\$5,930,584	\$13,702,323	2016-17
2012-13	\$6,063,652	\$13,758,124	2016-17
2013-14	\$6,082,043	\$13,582,950	2016-17
2014-15	\$6,379,058	\$13,517,351	2016-17
2015-16	\$6,455,175		

School Year	GEA	GEA Restoration	Net GEA
2010-11	-\$2,152,429	\$730,794	-\$1,421,635
2011-12	-\$2,404,780	\$167,289	-\$2,237,491
2012-13	-\$2,181,099	\$9,748	-\$2,171,351
2013-14	-\$2,171,351	\$234,383	-\$1,936,968
2014-15	-\$1,936,968	\$273,693	-\$1,663,275
2015-16	-\$1,663,275	\$615,430	-\$1,047,845
2016-17	-\$1,047,845	\$335,064	-\$712,781
			-\$11,191,346

Over this time the tax levy has increased \$6.4 million



Other Executive Budget Proposals



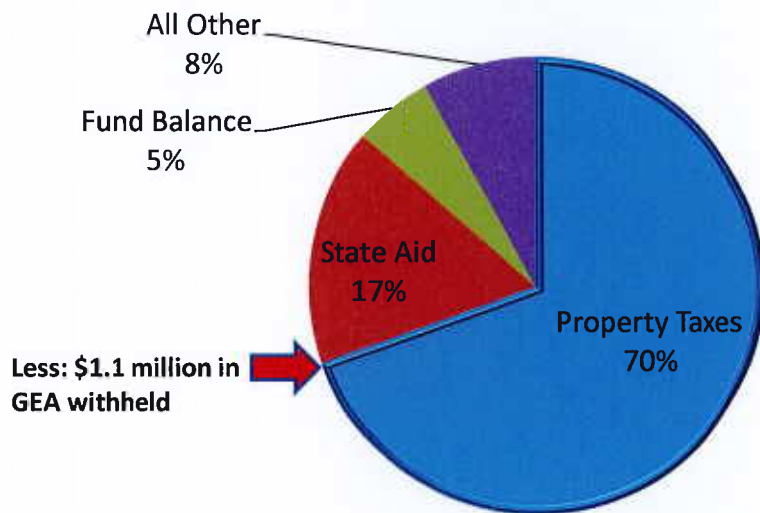
- Convert STAR from a property tax exemption to a state income tax credit for new homeowners.
- Capping STAR benefits at current levels for property taxpayers.
- Creation of a \$150 million education tax credit program.
- Provision of additional state funding to charter schools
- A 4% increase (\$6-7 million) increase in mandated services aid to non-public schools.



Other Revenue Sources



2015-16 Revenues





Preliminary Budget and Impact on Tax Levy



	2016-17	\$ Change	% Change
A) Total Preliminary Budget Amount	\$75,114,020	\$3,234,905	4.50%
B) Total Revenues Other Than Real Property Taxes (Excluding Tax Levy)	19,064,743	763,139	4.2%
C) Amount of Fund Balance Used for Levy of Tax	3,606,000	-	0.0%
D) Non-Property Tax Revenues (B+C)	\$22,670,743	\$763,139	
E) Total Real Property Tax Levy to be Raised for School Purposes (A-D)	\$52,443,277		
2014-15 Real Property Tax Levy	\$49,971,511		
% Increase in Real Property Tax Levy		4.95%	



Fund Balance and Reserve Considerations



- District already using Retirement Reserve to fund 100% of ERS liability.
- Reliance on Appropriated Fund Balance
 - \$2,600,000 = 5.2% of the 2015-16 tax levy
 - Unrestricted \$2,875,165
- Tightening up margins diminishes ability to replenish reserves



Preliminary Tax Levy Limit Requiring Simple Majority



	2012-13	2013-14	2014-15	2015-16	2016-17
Base Year Levy	\$44,286,586	\$46,155,079	\$47,333,782	\$48,895,803	\$49,971,511
Tax Base Growth Factor	1.0097	1.0000	1.0028	1.0068	1.0000
Base Year PILOT Revenue	\$961,334	\$454,044	\$502,672	\$460,993	\$456,326
Allowable Growth Factor	1.0200	1.0200	1.0146	1.0162	1.0012
Project PILOTS Receivable	\$464,814	\$395,861	\$480,935	\$507,941	\$455,680
Available Carryover	\$0	\$0	\$0	\$0	\$0
Tax Levy Limit Before Exclusions	\$46,126,236	\$47,145,444	\$48,188,401	\$49,986,313	\$50,032,670
Exclusion for Pension					
ERS	\$28,843	\$0	\$0	\$0	\$0
TRS	\$0	\$627,095	\$0	\$0	\$0
Total Exclusions	\$28,843	\$627,095	\$0	\$0	\$0
Total Tax Levy Limit	\$46,155,079	\$47,772,539	\$48,188,401	\$49,986,313	\$50,032,670
Actual (Estimated) Levy	\$45,570,897	\$47,333,782	\$48,895,803	\$49,971,511	
Over (Under) Tax Cap	-\$584,182	-\$438,757	\$707,402	-\$14,802	

Tax cap may allow for 0.12% increase in levy, or \$61K



Impact of Preliminary Budget on Taxes



IMPORTANT RELATIONSHIPS

1% Increase in Property Tax	\$500,000
1% increase in Spending	\$720,000

GAP ANALYSIS

Target Change in Tax Levy	Allowable Change in Spending	Impact on Preliminary Budget:
		Additional Revenue/ (Reductions Required)
0% Change in Tax Levy	1.1%	(\$2,419,905)
1% Increase in Levy	1.8%	(\$1,920,190)
2% Increase in Levy	2.5%	(\$1,420,475)
3% Increase in Levy	3.2%	(\$920,760)
4% Increase in Levy	3.9%	(\$421,045)
5% Increase in Levy	4.6%	\$78,671
6% Increase in Levy	5.3%	\$578,386



Next Steps

- Continue to monitor budget-to-actual projections to analyze assumptions used in preliminary budget;
- Collaborate with building principals and department managers to:
 1. Assess opportunities for efficiencies
 2. Evaluate the impact of cost reduction strategies