



HOOSIC VALLEY CENTRAL SCHOOL DISTRICT

2019-20 Budget Development
February 4, 2019

Bus Replacement Program Review

2019-20 Recommended Replacement

- 3- 72 Passenger Buses
- 1- 21 Passenger Bus with wheelchair station
- Trade in 4 Buses

Total Cost \$415,606.37

Voter approval for the purchase of BUSES within the Budget

- Utilize the aid received on previous bus purchases
- Utilize the appropriated fund balance to make a one time purchase to allow the district to fund the Bus Purchases within the budget as a line item (A5510.210)

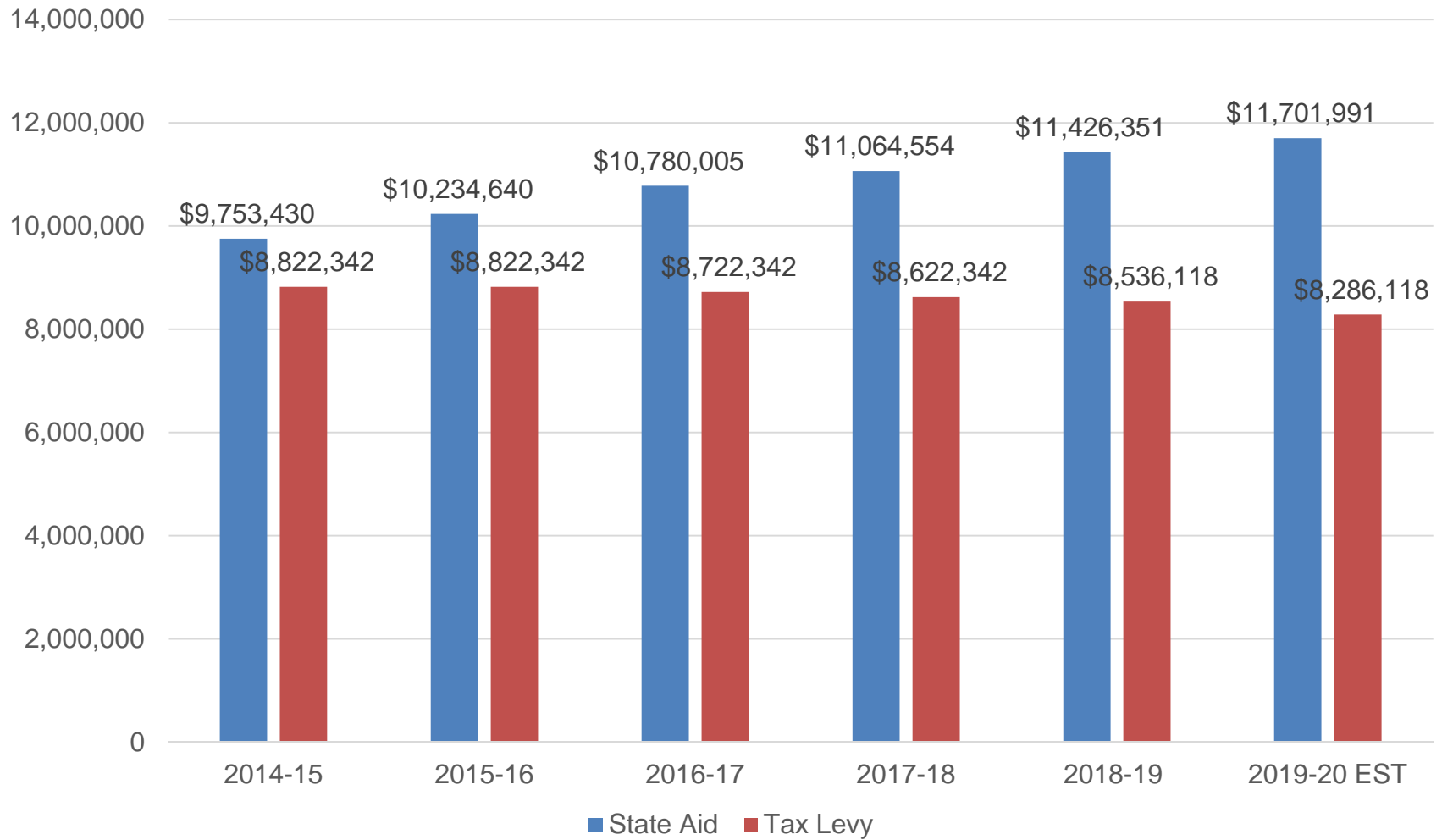
Governor's Proposal State Aid Estimates

- Hoosic Valley CSD's formula state aid under the Governor's proposal will increase overall by approximately **\$275,640 (2.41%)**.
- The district's Foundation Aid will increase **\$104,423** or **1.37%** from **\$7,634,776** to **\$ 7,739,199**.
- The district's expense driven aid estimates are based on 2018-19 school year estimates of expenditures and pupil data submitted with aid claims in the Fall.
- The estimated formula state aid increases of \$275,640 equates to 1.27% of the district's current budget.

Budget Status & Revenue Status

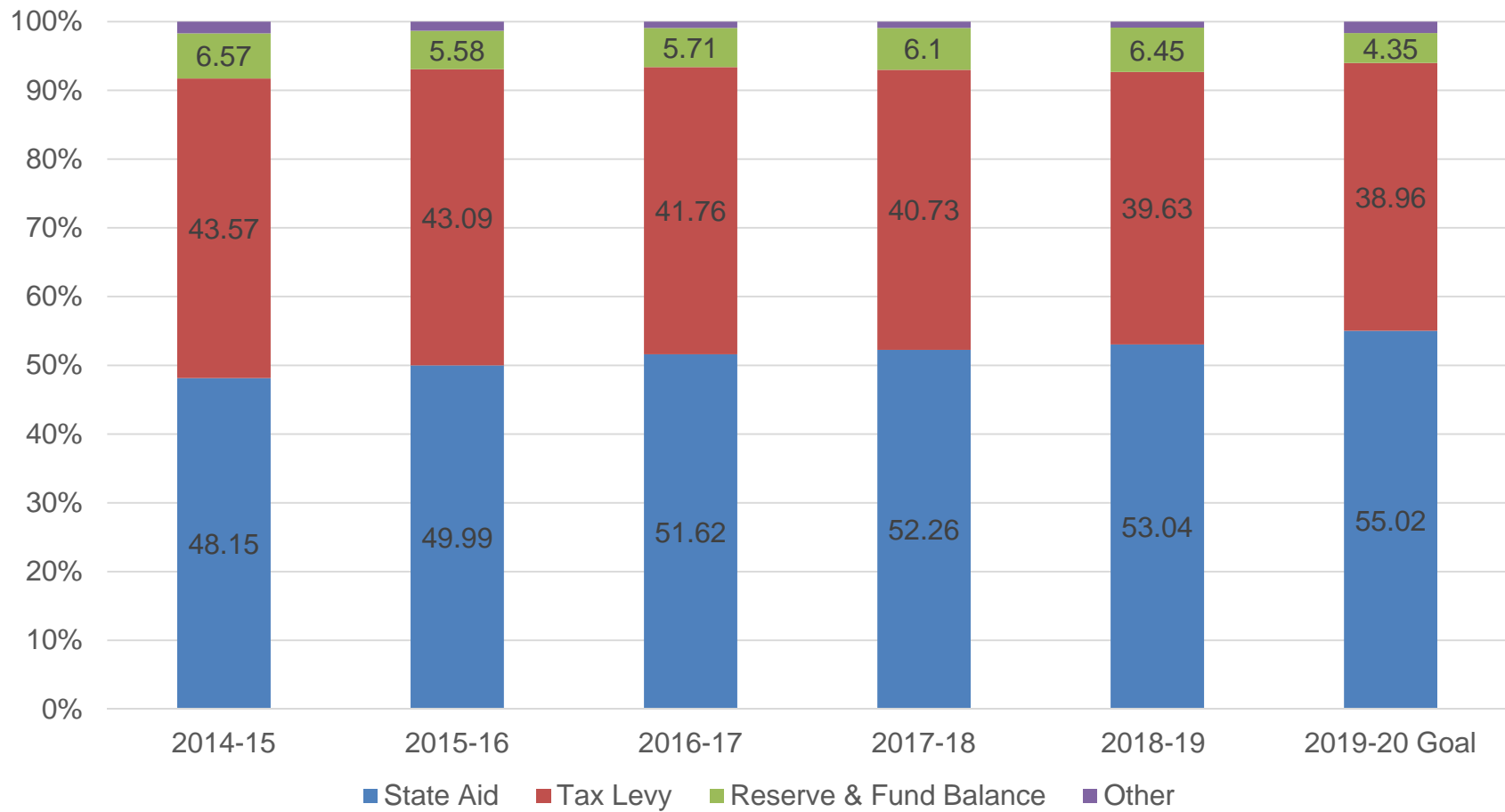
- Working closely with the district interim Treasurer to consistently review the Revenue & Appropriation Status Reports to assess the year fund balance.
- At this point the district will realize a positive net position at the end of fiscal year 2018-19.
- The appropriation status reports are analyzed to ensure expense codes are appropriately budgeted for 2019-20.

State Aid Increases & Tax Levy



State Aid vs. Tax Levy Revenues

Revenue % of the Budget



Budget Assumptions

- All employee contractual increases and steps will be included in the budget with a 2% increase assessed for non-instructional units.
- ERS Contributions Rates will remain mostly stable with a slight decrease in 2019-20 from 14.9% to 14.6%.
- TRS Contributions Rate in the next year is anticipated to be between 8.5% and 9.5% of member payroll. The rate for 2018-19 was 10.62%.
- The district's Health Insurance Plans are through the RCG Health Insurance Trust. The RCG Trust provided an initial estimated Health Insurance rate increase of 9% for Health Plans and 12% Rx Plans. Final rate will be provide towards the end of the budget season.
- Expenses for teaching supplies, building supplies and repairs, energy, and district contractual obligations will be rolled over. The 2018-19 budget was created based on the actual 5 year expense history with increase for items posed during budget development. The budget status reports will be analyzed to ensure expense codes are appropriately budgeted for 2019-20.

Budget Assumptions (continued)

- Heating Oil, gasoline, and diesel prices have continued to remain low, and we will continue to study and monitor the impact to the budget.
- In the previous year the IRS mileage rate reimbursement was set at \$.545 for 2018. The IRS has increased the rate to \$0.58 for 2019.
- The Minimum Wage rate increased from \$10.40 to \$11.10 on December 31, 2018, and will increase to \$11.80 on Dec. 31, 2019.
- As per the Corrective Action Plan to the 2013 State Comptroller's Audit, the district will transfer \$200,000 from the Debt Service Reserve over the next five years for a total of ten years.
- The Consumer Price Index used in the Tax Levy Limit calculation is 2.0%. The growth in inflation over the first ten months of 2018 was 2.5 % higher than the previous year. (CPI for the tax levy limit was 2.0% last year)

2019-20 Tax Levy Limit

New York State's Property Tax Cap – the tax cap limits the total levy set by school districts.

- 2019-20 Maximum Allowable Tax Levy is \$8,839,130
- The total levy can increase by only **\$303,012**; or **3.550%**

Adjusted Current Year Threshold

Tax Levy 2018-19

\$ 8,536,118

Tax Base Growth Factor

\$ 1.0116

Sub-Total

\$ 8,635,137

PILOTS

\$ -

SubTotal

\$ 8,635,137

Adjustments (MINUS)

	Capital	Buses
Debt Service	\$ 1,811,584	\$ 622,478
Reserve Use	\$ 200,000	\$ 388,909
Aid Payments	\$ 1,512,504	\$ 231,691
Local Share	\$ (99,080)	\$ (1,878)

\$ (100,958)

Adjusted 2018-19 Threshold

\$ 8,534,179

Allowable Levy Growth Factor (1 + inflation rate)

\$ 1.0200

\$ 8,704,863

PILOTS

\$ -

Carry Over

\$ 134,267

2019-20 TAX LEVY LIMIT

\$ 8,839,130

Adjustment

Judgements

ERS

\$ -

TRS -

\$ -

Capital Projects	Capital	Buses &
Debt Service	\$ 1,814,533	\$ 415,606
Reserve/ FB Use	\$ 221,029	\$ 139,691
Aid Payments	\$ 1,593,504	\$ 275,915
Local Share	\$ -	\$ 0

\$ 0

Adjusted Maximum Tax Levy for 2019-20

\$ 8,839,130

3.550%

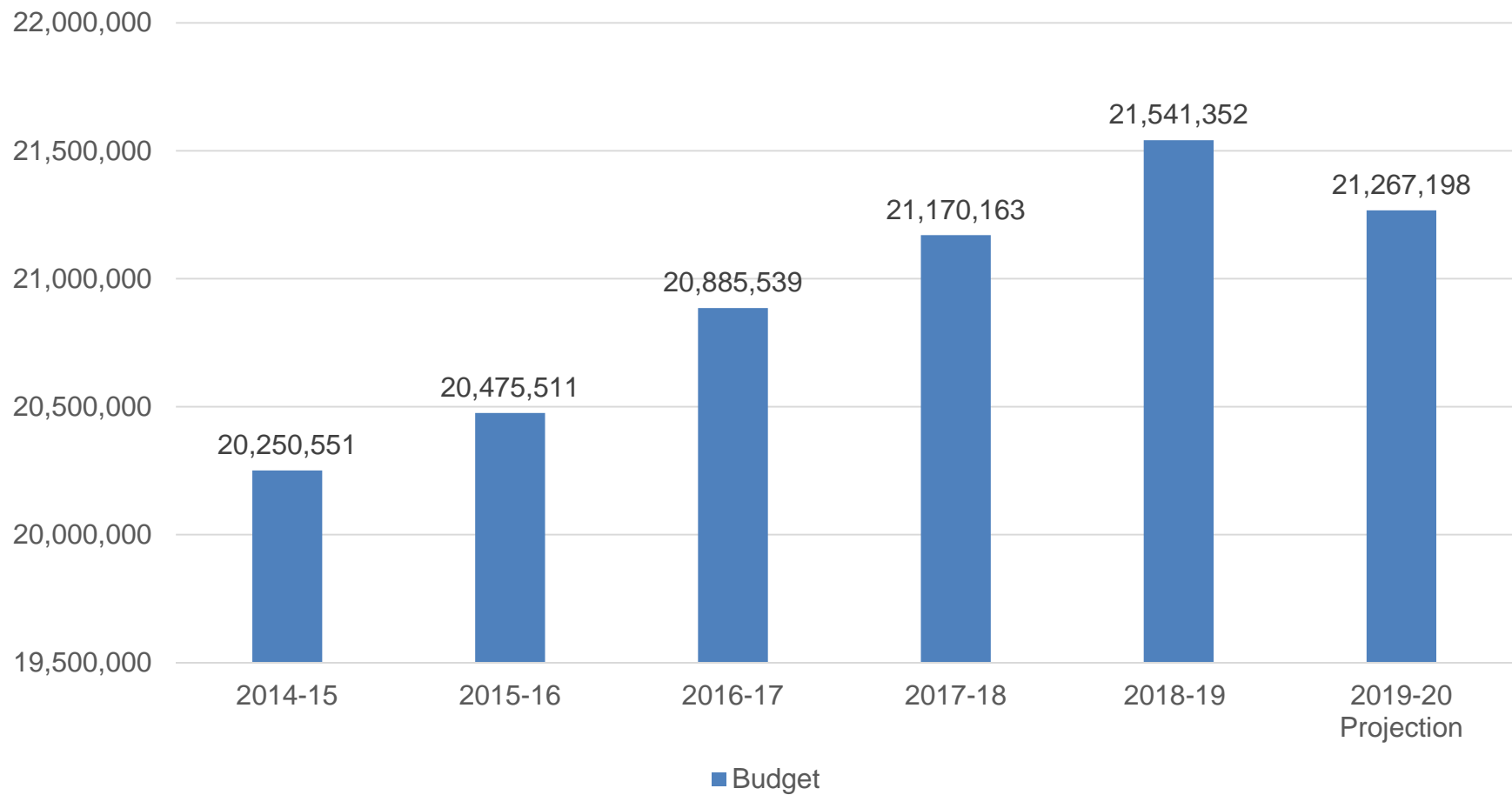
Tax Levy Limit- Carry Over

The Tax Levy Limit uses the lesser of the 2 Calculations
Understand the Tax Levy Limit Carry Over & how it will be
utilized in future years of the district's Tax Levy Limit
Calculation.

	Calculation # 1			Calculation # 2	
	2019 Levy Limit	\$8,951,134		2019 Levy Limit	\$8,951,134
	-2019 Actual Levy	\$8,536,118		x 1.5%	x 0.015
		\$ 415,016			\$ 134,267
	Calculation # 1			Calculation # 2	
	2020 Levy Limit	\$8,839,130		2020 Levy Limit	\$8,839,130
	-2020 Projected Levy	\$8,286,118		x 1.5%	x 0.015
		\$ 553,012			\$ 132,587
	Projected 2021 Levy Limit without Growth Factors				
				2020 Levy Projection	\$8,286,118
				Carry Over 2021	\$ 132,587
				2021 Levy Limit (w/o growth)	\$8,418,705

Budget Increases with a Consistent Tax Levy

Budget Totals Over Five Years



Actions to work with the 2019-20 State Aid Increase & Decrease of the Tax Levy

- The final BOCES OPEB credit of \$88,820 will be applied to the budget to offset BOCES Administrative Expenses.
- Utilize the appropriated surplus when necessary to fund one time expenditures.
- Continue to decrease expense codes to reduce budget to actual variances.
- Continue to decrease taxes utilizing State Aid increases.

2019-2020 Budget Goals

Develop a budget that is fiscally responsible and educationally sound.

- Create a budget which maintains and supports current Programs & Services while providing the opportunity for innovations within the classrooms, and the enhancement of STEAM opportunities.
- Accommodate additional requests submitted by the Building Administrators & the Interim Superintendent.
- Develop a budget that results in a projected tax levy below the tax cap limit.
- Utilize expense efficiencies to decrease the budget.
- When possible utilize increases in state aid to decrease taxes.

2019-20 Budget Considerations

- With a decrease in the 2019-20 appropriated fund balance, and a positive net position at the end of fiscal year 2018-19 the district will realize a surplus in 2018-19.

Actions to Benefit the Taxpayers

- As in previous years the district can utilize the surplus for one time expenditures (Buses, Capital Construction, Equipment, and Technology Purchases)
- Continue to decrease the tax levy cautiously understanding the impact on future budget years.
- Fund voter approved Capital Reserves for future one time purchases.
- ❑ **Consider:** A voter approved proposition to increase the Capital Construction Reserve limit and funding to offset the future bonding of a 2021 Facilities Project.