

Hoosic Valley Central School District

Budget Overview-

February 27, 2017

BUS REPLACEMENT PROGRAM REVIEW-

2017-18 Recommended Replacement

- o 3- 72 Passenger Buses
- o 2- 22 Passenger Bus

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

Tax Levy Limit* + Coming year exclusions = Maximum Allowable Tax Levy

(*adjusted for economic growth factors)

(Capital Levy Exclusion)

- 2017-18 Maximum Allowable Tax Levy is \$8,818,766
- The total levy can increase by only \$96,424; or 1.10%
- CPI used in the Tax Levy Limit calculation is 1.26%
- Capital levy Exclusion- the levy necessary to support capital local expenditures less **Aid payments** and **Reserves** used to offset principal and interest.
- 2017-18 Capital Levy Exclusion is \$31,133. The previous year was \$72,829.

State Aid Estimates

Governor's Proposal State Aid Estimates for 2017-18 & Tax Levy Limit

In January 17th, Governor Cuomo presented his proposal for the 2017-18 State Budget. The Governor is proposing a total of \$25.61 billion in state support for public schools. This represents a year-to-year increase of \$961 million (3.9%), as compared to the approved 2016-17 state budget.

- The district received state aid estimates under the Executive Budget State Aid Proposal days after the governor's presentations.
- Hoosic Valley CSD's formula state aid will increase overall by \$160,971 (1.49%) due to slight increases in Foundation Aid & expense driven aides as a result of the Governor's proposal.
- The district's Foundation Aid will increase under the proposal from \$7,191,079 to \$ 7,296,295 which is a \$105,112 increase.
- The district's expense driven aid estimates are based on 2016-17 school year estimates of expenditures and pupil data submitted with aid claims in the fall. Since transportation fuel expenses are down, I have been working with State Aid Financial Planning to adjust the estimate to appropriate levels.
- The estimated formula state aid increases of \$160,971 equates to 0.8% of the district's current budget.
(For example if the district's overall 2017-18 budget increased more than 0.8% the difference would need to be made up with taxes and surplus appropriations.)

As in any year, we will not know the final aid projections until an agreement on the state budget has occurred.

2017-18 Roll over Budget with additions increased by \$279,850 or 1.38%

- All employee contractual increases and steps are included in the budget.
- ERS Contributions Rates will decrease slightly to 15.3% in 2017-18
- TRS Contributions Rate will be 9.8% of member payroll. (2016-17 was 11.72%)
- Decreases to the employer retirement contribution rates will help offset increases in Health Insurance Premiums, which are estimated at 4%. Final rates will not be available until March.
- Expenses for teaching supplies, building supplies and repairs, and district contractual obligations will be rolled over unless in cases where additions are noted.
- Heating Oil, gasoline, and diesel prices have been assessed using a seven year average.
- Elementary & High School Program Review additions are included in the roll over budget.

DISTRICT LEVEL Program Review

Continued Support of previous year Programs & Additions to the Budget

- Software to allow the district clerk to create board agenda documents, and archive meeting agendas on web based cloud storage. \$3,700
- Continuation of the Part time Administrator/ APPR Independent Evaluator Salary \$30,000,
- Instructional Technology Director/ Trainer Stipend- \$6,500
- Additional Network Technician/ Engineer \$36,000
- Increase the district tutoring rate from \$15 per hour to \$25 per hour. \$3,000
- Two Fulltime Certified Substitutes (One for each Building)- \$36,000 cost of health insurance

Transfer to Capital

- Allocate \$175,000 for a Transfer to Capital to address the demolition of the Wanko Building. The Wanko Building has been vacant since the completion of the district office and transportation facility in 2002. The building has deteriorated and demolition will eliminate potential health and safety risks.

Actions to Work within the 2017-18 Tax Levy Limit of 1.10%, \$96,424

- BOCES OPEB credit of \$118,427 will be applied to the budget to offset BOCES Administrative Expenses.
- Increase the Appropriated Surplus to meet the necessary expenses; In 2016-17 the appropriated fund balance was \$887,389. The appropriated surplus could be increased to fund expenditures increases beyond the proposed additional state aid.
- We have begun the process to develop an early review of fund balance. We have encumbered all contractual salaries for 2016-17 as of Feb 1, 2017. At this point the district will have the availability to raise the appropriated fund balance to offset the increase in the roll over budget beyond proposed state increases.
- Provided the district receives the funding under the governor's proposal the district will be able to support a budget with a minimal increase to the tax levy.
- To maintain a 0% increase in the Tax Levy the district can increase the appropriated fund balance by \$119,000 to support the current role over budget with additions.

At the March 6th Board of Education meeting we will have an update on the State Aid proposal, Employee Benefits, and Fuel Cost for Buildings & Transportation. At the March 20th Budget Workshop there will be a review of Special Education, Buildings and Operations, Transportation, and Athletics budgets.