



CLARENCE SCHOOL DISTRICT:
2016-17 BUDGET STUDY SESSION #5

April 11, 2016

Administrative Recommendations For the Additional \$1.25 Million in State Aid

Item	Rationale	Total Cost
Reduce the appropriated fund balance	<p>The appropriated fund balance is surplus revenue from the previous year that is applied to the next year's budget.</p> <p>Reducing the appropriated fund balance will provide a hedge against volatility in future state school aid allocations. We can slowly build the appropriated fund balance back up in years when the tax levy and state aid will not raise enough revenue to balance the budget. Using fund balance as a revenue serves to lower the tax levy.</p>	\$800,000
Lower the Tax Levy	<p>The tax cap number for Clarence is 3.11%. The original proposed tax levy was 2.99%. Using \$100,000 of additional state aid will lower the levy to 2.76%.</p>	\$100,000
Add (4) teacher aide positions	<p>Three teacher aides for special education as mandated by the IEP's, and one teacher aid for the high school LAC.</p>	\$135,000
Add (1) maintenance position	<p>Restores a budget reduction. Helps to staff a project crew for painting and general maintenance in the buildings. Helps to avoid overtime costs.</p>	\$60,000
Add (2) teaching positions	<p>One K-5 teacher to help lower class sizes in grades K-2 One social studies teacher for the high school to increase elective choices, lower class sizes, and allow for AIS.</p>	\$160,000

2016-17 Budget: Assumptions

- The **Tax Levy of 2.76%** is well below the cap level.
- **No staff reductions** or program reductions – add 4 teacher aides, 2 teachers, 1 maintenance position
- We will use a combination state aid & miscellaneous revenues to balance the 2016-17 budget.
- The total spending increase is 3.6%.
- We are **decreasing the appropriated fund balance** by \$800,000.
- The estimated **tax rate** is \$14.62 per thousand.
- Homeowners will receive a **rebate** on the increase in school taxes if they qualify under the adopted budget.
- The administration is recommending the BOE consider a proposition for **purchasing buses**.

Clarence CSD Revenue & Tax Rate

	2015-2016 <u>BUDGET</u>	2016-2017 <u>BUDGET</u>
Property Tax Items	44,828,450	\$46,011,097
LEVY	\$44,068,450	\$45,286,097
PILOTS	760,000	\$725,000
Sales & Misc. Tax	\$5,200,000	\$5,300,000
Interest Income	\$70,000	\$80,000
Local Revenues	\$601,000	\$626,000
Aid-NYS/BOCES/Medicaid	\$22,842,887	\$24,896,003
Appropriated Fund Balance	\$1,850,000	\$1,200,000
TOTAL BUDGET	\$75,392,337	\$78,113,100
Spending Increase		3.61%
ASSESSMENT:	\$3,066,898,014	\$3,097,566,994
TAX RATE (EST):	\$14.37	\$14.62

<u>Administration Expenses</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>Change</u>
District Office	\$1,827,172	\$1,883,616	\$56,444
Curriculum & Supervision	\$1,907,483	\$1,930,372	\$22,889
Liability & Property Insurance	\$785,529	\$797,440	\$11,911
Benefits	\$1,100,279	\$1,111,852	\$11,573
Total	\$5,620,463	\$5,723,280	\$102,817

<u>Capital Expenses</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>Change</u>
Operation & Maintenance	\$4,885,814	\$4,932,216	\$46,402
Debt Service	\$7,164,852	\$7,771,064	\$606,212
Benefits	\$1,391,181	\$1,428,246	\$37,065
Total	\$13,441,847	\$14,131,526	\$689,679

<u>Instructional Expenses</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>Change</u>
Regular Education	\$27,561,426	\$28,981,085	\$1,419,659
Special Programs	\$9,807,283	\$9,944,429	\$137,146
Transportation	\$3,798,002	\$3,887,672	\$89,670
Benefits	\$15,163,316	\$15,445,108	\$281,792
Total	\$56,330,027	\$58,258,294	\$1,928,267

2016-17 Budget: April 11, 2016

Budget Element	Cost Estimate
2015-16 Budget Total	\$75,392,377
Tax Levy Increase for 2016-17 (below the cap at 2.76%)	\$1,217,647
Other Revenue Increase for 2016-17: (State Aid, Sales Tax, Medicaid, Interest)	\$2,303,076
Appropriated Fund Balance Decrease for 2016-17	-\$800,000
2016-17 Budget Total	\$78,113,100

Clarence CSD Property Tax Report Card 2016-17

	Budget Adopted for 2015-16	Budget Proposed for 2016-17	Contingency Budget for 2016-17
Total Budgeted Amount, Not Including Separate Propositions	\$75,392,337	\$78,113,100	\$76,895,453
Increase/Decrease for 2016-17		\$2,720,763	\$1,503,116
Percentage Increase/Decrease in Proposed Budget		3.61%	1.99%
Change in the Consumer Price Index		0.12%	
Total Proposed School Year Tax Levy	\$44,068,450	\$45,286,097	\$44,068,450
Total Permissible Exclusions	\$1,948,205	\$2,663,007	
A: Proposed School Year Tax Levy, Not Including Levy for Permissible Exclusions	\$42,120,245	\$42,623,090	
B. School Tax Levy Limit, Not Including Levy for Permissible Exclusions	\$42,520,245	\$42,775,866	
Difference: A-B	(\$400,000)	(\$152,776)	
Administrative Component	\$5,635,613	\$5,737,857	\$5,634,064
Program Component	\$56,330,027	\$58,737,857	\$57,350,149
Capital Component	\$13,441,847	\$14,131,526	\$13,911,420

Estimated Tax Increase on Clarence Homes

2016-17 Property Tax Estimates – Below the Capped Tax Levy Estimated Tax Rate: \$14.62 per thousand

Assessed Value of Home	\$100,000	\$200,000	\$300,000
Estimated Annual Property Tax Increase	\$25	\$50	\$75
Estimated Monthly Property Tax Increase	\$2.08	\$4.17	\$6.25

The total dollar increase will be mitigated by the growth in assessed value for the Town of Clarence – the real dollar increase is 1.9% or lower.

Taxpayers in Clarence will receive a rebate on the increase in the 2016-17 school taxes.

5-Year Projections: Expenses

<u>Expenses:</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
1 Wages	\$37,901,892	\$39,307,065	\$40,486,277	\$41,700,865	\$42,951,891	\$44,240,448
2 ERS/TRS/FICA/WC	\$9,606,001	\$9,444,042	\$9,727,363	\$10,019,184	\$10,319,760	\$10,629,352
3 Medical	\$8,047,775	\$8,540,164	\$8,967,172	\$9,415,531	\$9,886,307	\$10,380,622
4 All Others	\$19,836,669	\$20,821,829	\$21,430,047	\$21,644,348	\$21,860,791	\$22,079,399
Total:	\$75,392,337	\$78,113,100	\$80,610,859	\$82,779,927	\$85,018,749	\$87,329,822

- 1. Wages:** Anticipated to rise 3% annually. Projected enrollment declines & retirements are built in.
- 2. Benefits:** Are dependent on wage increases, the retirement systems are stabilizing.
- 3. Medical:** The projected numbers include a 5% per year increase under self-funding
- 4. All Other Areas:** includes utilities, supplies, equipment, debt increase + 1% annually

5-Year Projections: Revenue

Revenues	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
1 Sales Tax	\$5,200,000	\$5,300,000	\$5,353,000	\$5,406,530	\$5,460,595	\$5,515,201
2 Local Revenues	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000	\$1,431,000
3 Fund Balance	\$1,850,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
4 Tax Levy	\$44,068,450	\$45,286,097	\$46,640,151	\$48,034,692	\$49,470,929	\$50,950,110
5 NYS AID	\$22,842,887	\$24,896,003	\$26,042,883	\$26,824,170	\$27,628,895	\$28,457,762
TOTALS	\$75,392,337	\$78,113,100	\$80,667,034	\$82,896,391	\$85,191,419	\$87,554,073

- 1. Sales Tax:** Anticipated to rise 1% annually
- 2. Local Revenues:** Projected to remain flat (interest rates, PILOTS, misc. revenue).
- 3. Fund Balance:** Projected to remain flat – we are at the maximum sustainable level
- 4. Tax Levy:** We estimate we can stay at or below the Tax Cap for the duration of this model – average of 2.99%
- 5. NYS Aid:** In the projections, \$2m this year, then NYS Aid conservative increase of approximately 3% annually to balance the budget.

Annual Budget Vote Information

□ **Monday, May 9, 2016**

- ▣ Budget Public Hearing - 7:00 pm, High School Lecture Hall

□ **Tuesday, May 10, 2016**

- ▣ Meet the Candidates – Sponsored by PTOs
- ▣ 7:00 PM – High School Lecture Hall

□ **Tuesday, May 17, 2016**

- ▣ Public Budget Vote
 - 7:00 am – 9:00 pm, Clarence High School Gymnasium
 - Proposition #1: 2016-2017 Budget: \$78,113,100
 - Proposition #2: Purchase 9 Buses: \$825,000
 - Two Seats for the Board of Education