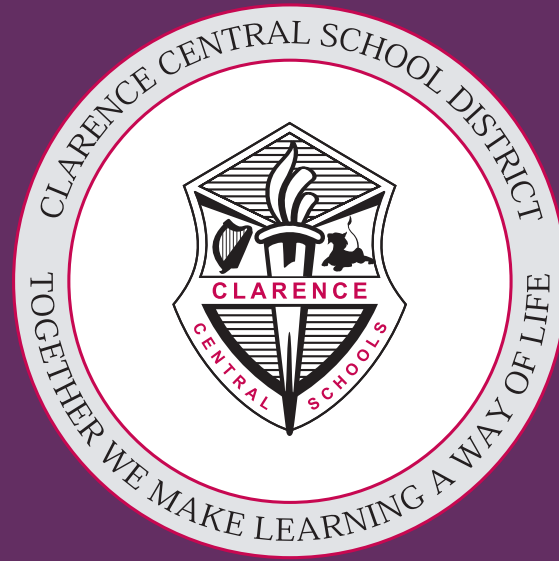


**Clarence Central School District
Board of Education**

CHS Lecture Hall
9625 Main Street
Clarence, NY 14031
7:00 PM

Agenda – Monday, February 25, 2019

	BOARD OF EDUCATION BUDGET STUDY SESSION	TYPE
I.	PUBLIC SESSION CALL TO ORDER 1. Pledge of Allegiance 2. Roll Call 3. Announcements	Action
II.	SUPERINTENDENT’S REPORT Draft #2--2019-20 Budget Presentation	Informational
III.	PUBLIC INPUT SESSION	
IV.	EXECUTIVE SESSION For the purpose of discussing litigation strategy.	Action



CLARENCE SCHOOL DISTRICT:
2019-2020 BUDGET STUDY SESSION #2

February 25, 2019

Agenda for February 25th Presentation



- 1. Enrollment**
- 2. Brief Review the Governor's Executive Budget Proposal**
- 3. Tax Levy Cap Information**
- 4. Review the Second Draft 2019-2020 Clarence Budget**

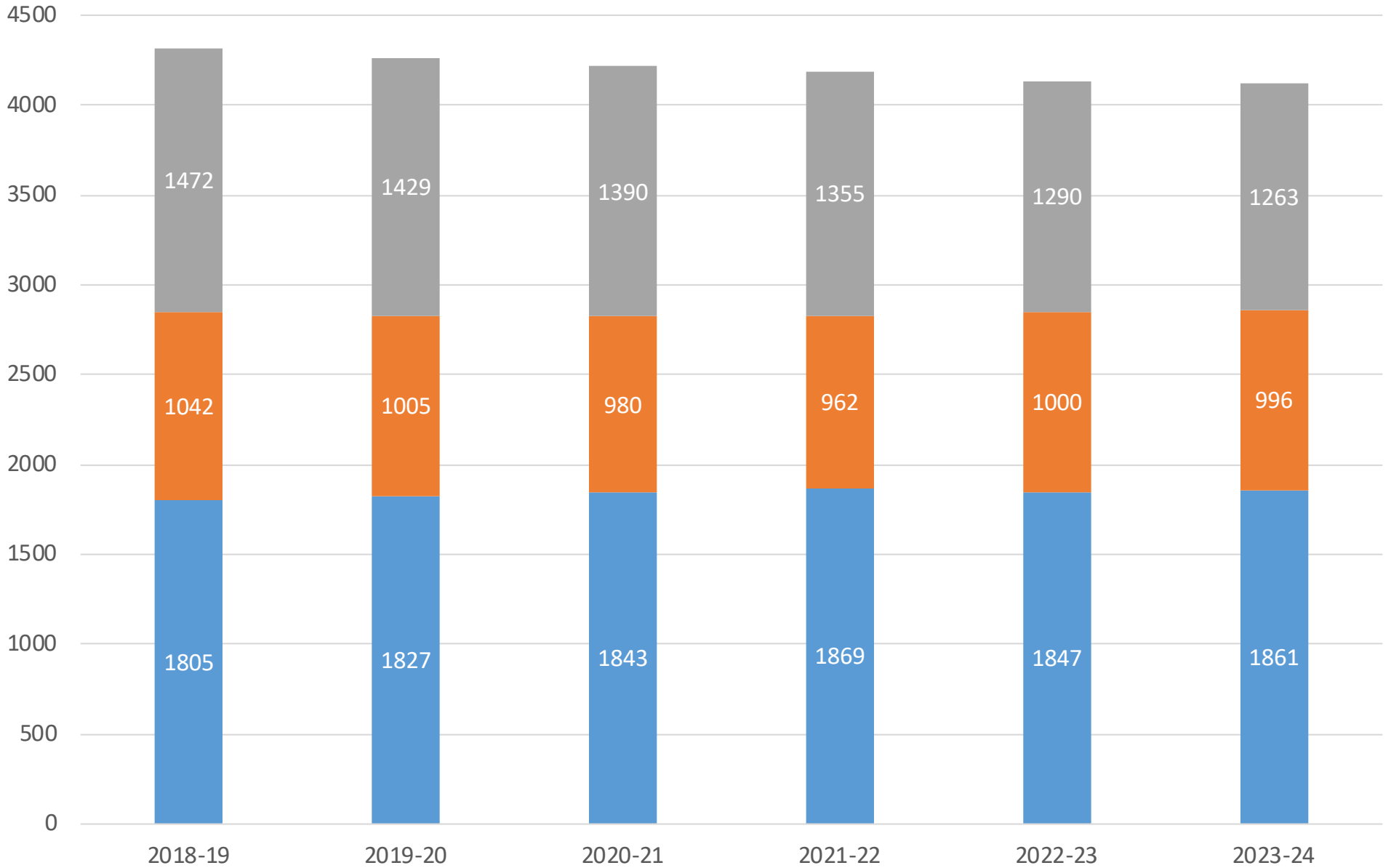
Enrollment Estimates



- **Elementary** enrollment appears to have stabilized and it is projected to **increase** slightly over the next 5 years.
- **Middle School** enrollment will **decline** by approximately 10-15 students per year for the next 5 years.
- **High School** enrollment will **decline** by 35-40 students per year for the next 5 years.
- **District** enrollment will **decline** by 30-40 students per year for the next 5 years, then begin to stabilize.
- Our actual **kindergarten** enrollment has been close to projections the past three years.

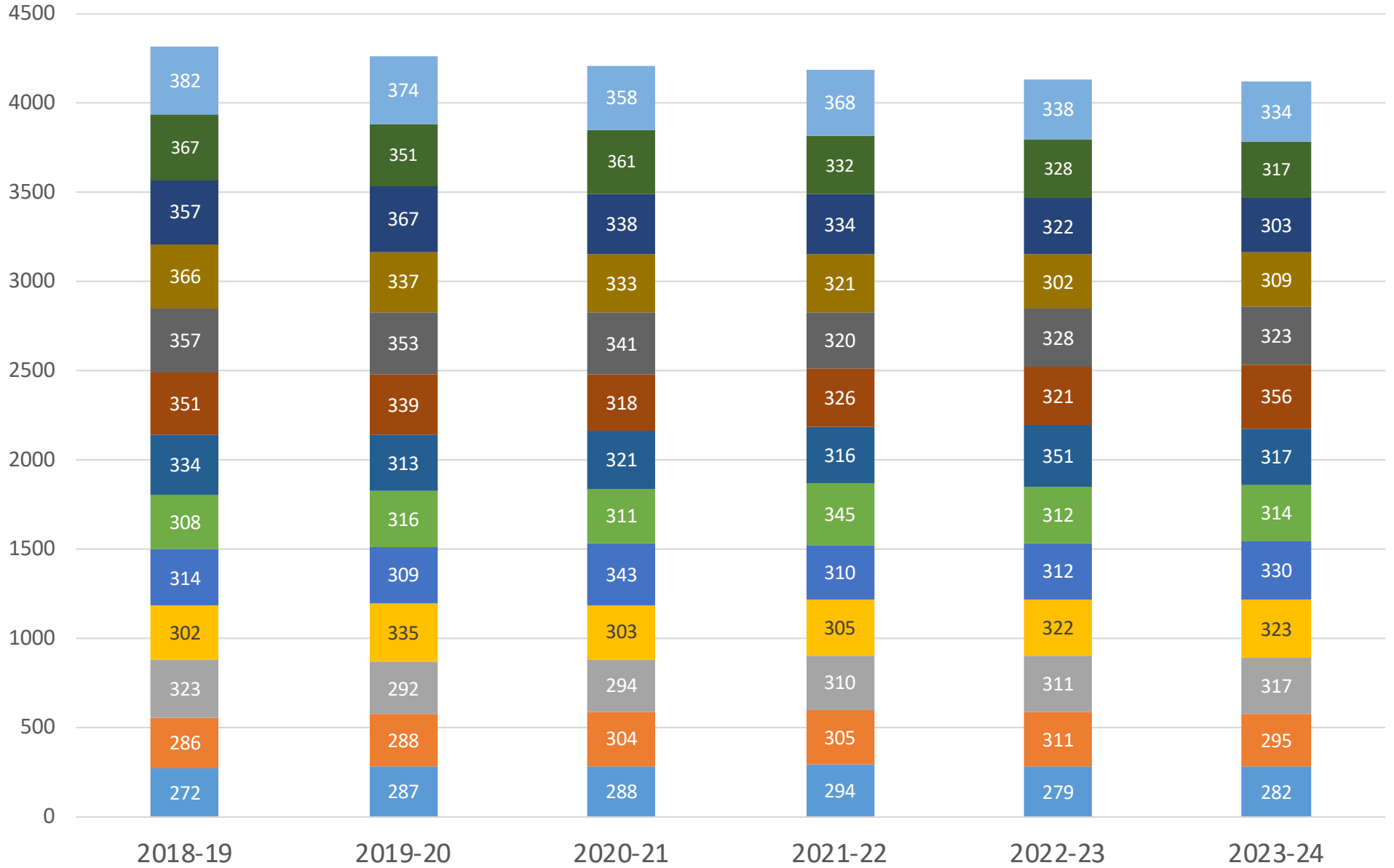
2019 Enrollment Projections - By Level

■ Mid Cities - K-5 ■ Mid Cities - 6-8 ■ Mid Cities - 9-12



K-12 Five Year Enrollment Projection - By Grade

■ K
 ■ 1
 ■ 2
 ■ 3
 ■ 4
 ■ 5
 ■ 6
 ■ 7
 ■ 8
 ■ 9
 ■ 10
 ■ 11
 ■ 12



2019-20 Elementary Class Size Projections

2019-20	K Avg Proj	1	2	3	4	5	TOTAL	TO 6th	Loss/ Gain
CC	44	57	67	73	64	61	58	58	-14
CC Sections	3	3	4	3	3	3	19		
CC Avg Size	14.7	19.0	16.8	24.3	21.3	20.3	18.4		
HH	79	71	79	76	80	92	477	76	3
HH Sections	4	3	4	4	4	4	23		
HH Avg Size	19.7	23.7	19.8	19.0	20.0	23.0	20.7		
LV	82	65	68	97	87	71	470	83	-1
LV Sections	4	3	3	5	4	3	22		
LV Avg Size	20.5	21.7	22.7	19.4	21.8	23.7	21.5		
SH	65	77	70	79	73	90	454	93	-28
SH Sections	3	4	4	4	3	4	22		
SH Avg Size	21.6	19.3	17.5	19.8	24.3	22.5	19.8	310	
Elementary Totals - PROJECTED 2019-20 - Feb 25 2019									
	K	1	2	3	4	5	Total		
Total Students	270	270	284	325	304	314	1767	Decline over	-40.3
Total Sections	14	13	15	16	14	14	86	Avg decline	-0.5
Total Average	19.3	20.8	18.9	20.3	21.7	22.4	20.5		

Executive Budget Summary

□ The Governor...

- Recalculated the formula and increased Foundation Aid statewide by \$338 million
 - Clarence's increase in Foundation Aid is \$35,526
- Fully funded expense-driven aids
 - Clarence aid is estimated to increase for BOCES, transportation & special education
 - Clarence aid will decrease for library, software & hardware
- Set aside \$157 million for the legislature to allocate
- Allocates \$50 million for special programs
- The Governor's proposal is \$1 billion less than advocacy groups asked for

Executive Budget Summary



- The Governor proposes to...
 - Make the tax levy cap permanent
 - Extend the millionaire's tax through 2024
 - Freeze STAR exemptions but grow STAR credits
 - Combine 11 categories of expense-driven aid into one aid package and cap increases
 - Change building aid formulas
 - Increase funds for non-public schools by 3.8%

Overall Budget Philosophy



- **Protect and enhance the core programs of the district.**
- **Exhibit fiscal responsibility with tax dollars.**

Expense Update: 2019-20 Rollover Budget

- 3% Increase in Wages
- 4% Increase in Health Insurance Costs
- 5% Increase in Worker's Comp
- 2% Increase in Special Education Costs
- 5% Increase in BOCES Costs
- 1% increase in all other costs (utilities, supplies, equipment)
- \$480,000 Decrease In Retirement Costs
- Debt Service Is Stabilized

Revenue Assumptions: 2019-20

- **Tax Levy Cap estimate of 3.2%**
 - Tax levy revenue at the cap generates approximately \$1.6 million
- **All Other Revenues will increase by \$892,000**
 - 2% increase in sales tax
 - Flat local revenues (interest rates, PILOTS, and miscellaneous sources)
 - \$550,000 increase in appropriated fund balance – begin spending down Debt Reserve
 - **NYS School Aid was anticipated to increase by 3%, but it only increased 1%**

Program Assumptions – 2019-20



- Our goals are ...
 - Maintain or improve all programs
 - No staff reductions
- At this stage of the budget process we don't believe we can add personnel unless we make reductions in other areas of the budget
- Our most pressing area of need is for student mental health services

Historical Program Staffing

Area	2013-14	2018-19
Teachers	303	367
Teacher Aides	97	128
Monitors	12	20
Psychologists	5	7
Social Workers	0	1
Counselors	8	8
School Resource Officers	0	2

Estimated Tax Levy Cap

Factors Influencing the Tax Cap Calculation	Estimated Percentage Increase
Allowable State Growth Factor (CPI)	2.0%
Clarence Tax Base Growth Factor (adjusted)	1.2%
Exclusions	0%
TOTAL CAP CALCULATION	3.2%

2019-20 Tax Levy Cap Calculation

Current Year Tax Levy	\$47,870,000	
Times: Tax Base Growth Factor	1.0155	
Add: Current Year PILOTs	\$788,000	
Less: Capital Tax Levy from Current Year	\$2,906,534	
Equals: Adjusted Current Year Levy	\$46,493,451	
Times: Allowable Levy Growth (CPI or 2% max)	2.00%	
Less: Estimated Budget Year PILOT's	\$788,000	
Add: Available Prior Cap Carryover	\$0	
Equals: Tax Levy Limit	\$46,635,320	
Exemptions		
Add: Court Order/Judgments - Budget	\$0	
Add: Capital Tax Levy for Budget Year	\$2,783,267	
Add: Pension Growth (TRS & ERS) beyond 2 basis points	\$0	
Total Levy Cap Exclusions	\$2,783,267	
Add: Tax Levy Limit From Above	\$46,635,320	
Maximum Levy After Exemptions	\$49,418,587	
2019-20 Tax Levy Limit for Clarence	\$1,548,587	3.2%

Tax Levy vs. Tax Rate

□ Tax Levy

- The amount of money raised via property taxes as a revenue in the school budget.
- The levy is determined by subtracting the total spending number in the budget from all other sources of revenue.

□ Tax Rate

- The dollar per thousand number needed to raise the total tax levy.
- Determined by dividing the total assessed value of a Town by the total tax levy to be raised.

Tax Levy vs. Tax Rate

□ **Factors That Influence Levy**

- The Tax Cap calculation
- The amount of state aid that a district receives
- The amount of other revenues in the budget besides property taxes

□ **Factors That Influence Rate**

- The total assessed value of property in a town
- Re-assessments on property annually
- New property added to the assessment rolls
- If assessments stayed exactly the same from one year to the next, the tax rate increase would equal the tax levy increase.
- When assessments on property increase, rates decrease.

Historical Tax Rate Calculations

Year	Tax Rate Publicized with April Budget	Actual Tax Rate Set In August	Difference
2019-20	\$13.98	?	?
2018-19	\$14.99	\$13.67	(\$1.32)
2017-18	\$14.67	\$14.49	(\$0.18)
2016-17	\$14.65	\$14.53	(\$0.12)
2015-16	\$15.37	\$14.37	(\$1.00)
2014-15	\$15.00	\$14.79	(\$0.21)
2013-14	\$14.65	\$14.61	(\$0.04)
2012-13	\$14.35	\$14.26	(\$0.09)
2011-12	\$14.42	\$14.13	(\$0.29)
2010-11	\$14.26	\$14.16	(\$0.10)
2009-10	\$14.73	\$14.24	(\$0.49)
2008-09	\$15.81	\$14.73	(\$1.08)
2007-08	\$16.16	\$15.81	(\$0.35)
2006-07	\$16.42	\$15.84	(\$0.58)
2005-06	\$16.69	\$15.80	(\$0.89)
2004-05	\$17.37	\$16.60	(\$0.77)
2003-04	\$17.27	\$16.85	(\$0.42)

Estimated Tax Increase on Clarence Homes

2019-20 Property Tax Estimates – At the Estimated Capped Tax Levy

Estimated Tax Rate: \$13.98 per thousand

Assessed Value of Home	\$100,000	\$200,000	\$300,000
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Annual Property Tax Increase at the Capped Levy Amount	\$31	\$62	\$93
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Monthly Property Tax Increase at the Capped Levy Amount	\$2.58	\$5.16	\$7.735
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2019-20 Budget: Draft #2 Assumptions

- Tax Levy at the cap level – 3.2%
- Wages are anticipated to go up 3%
- Health care expenses up 4%
- Special Education & Health Services costs increase by 2%
- All other expenses (utilities, fuel, supplies, equipment) up 1%
- Pension costs decrease
- **We will use a combination state aid, miscellaneous revenues and reserves to stay within the tax cap for 2019-20.**
- The administration is recommending a proposition for purchasing buses.

2019-20 Budget: Draft #2

Budget Element	Cost Estimate
2018-19 Budget Total	\$83,142,930
2019-20 Tax Levy Increase (estimated cap 3.2% – actual number is due by March 1)	\$1,531,840
2019-20 Other Revenue Increase: (State Aid, Sales Tax, PILOTS, Medicaid, Interest, Appropriated Reserves & Appropriated Fund Balance)	\$892,815
2019-20 Budget Total	\$85,567,585

Bus Purchase Plan: 2019-20

- * Impact of bus purchase is tax cap neutral
- * 10-12 year replacement cycle for buses

#	Bus Type	Unit Cost	Total Cost
5	72 Passenger Buses	\$115,546	\$577,730
2	72 Passenger Bus (compartments)	\$116,895	\$233,790
2	30 passenger wheelchair bus	\$72,694	\$145,388
	<i>Estimates for Trade-in's</i>		-\$22,700
10	TOTAL		\$934,208

Previous Bus Expenditures

Year	Bus Expenditures
2007	\$980,000
2008	\$945,000
2009	\$-
2010	\$785,000
2011	\$-
2012	\$995,000
2013	\$-
2014	\$995,000
2015	\$990,000
2016	\$825,000
2017	\$825,000
2018	\$931,232
2019	\$934,208

Bus Purchase Details

□ Useful Life

- The useful life of engines and transmissions in the buses is 110,000 – 140,000 miles
- Bus bodies show deterioration both superficially and structurally in 9-11 years

□ Efficiency Steps

- We only purchase quality vehicles with an extended warranty
- Regularly scheduled maintenance including:
 - Oil sampling
 - Annual rust inhibitor application

2019 Budget Development Sessions



□ **Special Budget Study Workshops**

- January 28, 2019

- February 25, 2019

- March 25, 2019

□ **Regular Board Meetings**

- February 11, 2019 (Sheridan Hill)

- March 11, 2019 (CHS)

- April 15, 2019 (CHS – Budget Adoption)

- May 6, 2019 (CHS - Budget Public Hearing)

- May 21, 2019 (Public Budget Vote)