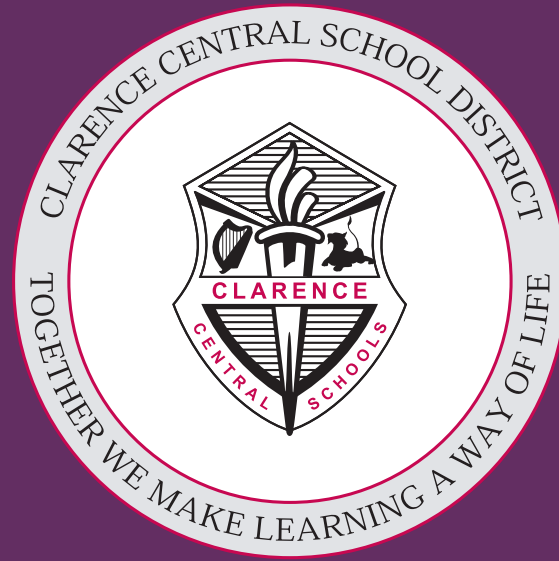


**Clarence Central School District
Board of Education**

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

Agenda – Monday, March 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 2019-20 Budget Presentation—Draft #3	Informational
III.	FINANCIAL REPORT Selection of Architect for Capital Project	Action
IV.	PERSONNEL--Non-Instructional P1. Request for Extension of Leave of Absence P2. Substitutes	Action Action
V.	PUBLIC INPUT SESSION	
VI.	EXECUTIVE SESSION For the purpose of discussing the employment history of a particular person.	Action



CLARENCE SCHOOL DISTRICT: 2019-2020 BUDGET STUDY SESSION #3

March 25, 2019

Agenda for March 25th Presentation



- 1. Update on NYS Budget Process**
- 2. Third Draft – 2019-20 Clarenc Budget**
- 3. Tax Levy & Rate Information**
- 4. Five-Year Budget Projections**

Item	Governor's Proposal	Assembly One-House	Senate One-House
Education Increase	\$956 million	\$1.6 billion	\$1.6 billion
Foundation Aid	\$338 million	\$1.1 billion	\$1.2 billion
Foundation Aid Formula	4-Part Formula to allocate aid – minimum increase of 0.25%	All districts receive at least 53% of full phase-in aid – fully phase in by 2023-24	Fully phase-in formula by 2021-22
Charter Schools	\$56 million in tuition rebates & increases	Rejects increasing charter school tuition	Eliminate Charter School cap, fund building aid & increase in tuition
Expense-Based Aid	Continue current law for expense-based formulas	Accept Executive Position	Accept Executive Position
Other	<ul style="list-style-type: none"> Combine 11 expense aid categories and cap increase Use 10 yr average in personal income to cap school aid Cap STAR exemption \$10.4 million increase in aid to private school \$1.5 million for teacher grants 	<ul style="list-style-type: none"> Reject combining aids Reject 10 yr averaging Reject capping STAR Accept \$5 million increase for private schools (STEM) Reject teacher grants in favor of more Foundation Aid 	<ul style="list-style-type: none"> Reject combining aids Reject 10 yr. averaging Reject capping STAR Accept \$5 million increase for private schools (STEM) Reject teacher grants in favor of more Foundation Aid

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

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%

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.

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
Annual Property Tax Increase at the Capped Levy Amount	\$31	\$62	\$93
Monthly Property Tax Increase at the Capped Levy Amount	\$2.58	\$5.16	\$7.74

2019-20 Budget: Draft #3 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.

5-Year Projections Expenses

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Non-Intr Wages	\$10,008,000	\$10,908,495	\$11,235,750	\$11,572,822	\$11,920,007	\$12,277,607
Instr. Wages	\$31,764,400	\$32,318,810	\$33,288,374	\$34,287,026	\$35,315,636	\$36,375,105
Supplies	\$1,447,990	\$1,514,040	\$1,544,321	\$1,575,207	\$1,606,711	\$1,638,846
Contractual	\$8,180,690	\$8,647,610	\$8,820,562	\$8,996,973	\$9,176,913	\$9,360,451
Eq.	\$304,750	\$315,650	\$315,650	\$315,650	\$315,650	\$315,650
BOCES	\$4,131,020	\$4,405,030	\$4,537,181	\$4,673,296	\$4,813,495	\$4,957,900
Benefits	\$18,949,360	\$18,921,815	\$19,678,688	\$20,465,835	\$21,284,469	\$22,135,847
Debt Service	<u>\$8,356,720</u>	<u>\$8,536,135</u>	<u>\$8,536,135</u>	<u>\$8,536,135</u>	<u>\$7,600,000</u>	<u>\$7,600,000</u>
TOTAL	\$83,142,930	\$85,567,585	\$87,956,661	\$90,422,945	\$92,032,881	\$94,661,407

Wages: Anticipated to rise 3% annually. Projected retirements are built in.

Benefits: Anticipated to rise 4-5% annually. Benefits are dependent on wage increases, the retirement systems are stabilizing. Health insurance costs projected at 4-5% annually.

Contractual & Supplies: Anticipated to rise by 2% annually

BOCES & Special Ed.: Anticipated 3% increase due to service increases

Debt Service: Is flat until 2022, then one issue expires

5-Year Projections Revenue

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Sales Tax	\$5,700,000	\$5,800,000	\$5,916,000	\$6,034,320	\$6,155,006	\$6,278,107
Local Revenues	\$1,484,445	\$1,484,445	\$1,484,445	\$1,484,445	\$1,484,445	\$1,484,445
Fund Balance	\$1,700,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
Tax Levy	\$47,870,000	\$49,401,840	\$50,883,895	\$52,410,412	\$53,982,724	\$55,602,206
AID (NYS/BOCES/FED.)	<u>\$26,388,485</u>	<u>\$26,631,300</u>	<u>\$27,430,239</u>	<u>\$28,253,146</u>	<u>\$29,100,741</u>	<u>\$29,973,763</u>
TOTAL	\$83,142,930	\$85,567,585	\$87,964,579	\$90,432,323	\$92,972,916	\$95,588,520

Sales Tax: Build in 2% increase per year

Local Revenues: Anticipated to remain flat

Tax Levy: Anticipated to rise by 3% annually (includes anticipated exemptions)

Fund Balance: Remains flat. Fund Balance and Debt Reserve may be needed to balance the budget in 2022, when nearly \$1 million of net debt is retired

State Aid: Anticipated increase is based on historical increases and the current political environment – 3%

Three-Part Budget

<u>Administration</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>CHANGE</u>
District Office	\$2,045,510	\$2,116,715	\$71,205
Curriculum & Supervision	\$2,107,440	\$2,262,070	\$154,630
Liability & Property Ins	\$842,900	\$879,500	\$36,600
Benefits	<u>\$1,261,130</u>	<u>\$1,253,215</u>	<u>-\$7,915</u>
	\$6,256,980	\$6,511,500	\$254,520
<u>Capital</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>CHANGE</u>
Operation & Maintenance	\$5,205,310	\$5,379,890	\$174,580
Debt Service	\$8,356,720	\$8,536,135	\$179,415
Benefits	<u>\$1,614,310</u>	<u>\$1,664,250</u>	<u>\$49,940</u>
	\$15,176,340	\$15,580,275	\$403,935

Three-Part Budget

<u>Instructional</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>CHANGE</u>
Regular Education	\$29,851,150	\$30,909,870	\$1,591,805
Special Programs	\$10,391,660	\$10,624,580	\$243,655
Transportation	\$4,101,240	\$4,101,550	\$310
Benefits	<u>\$16,073,920</u>	<u>\$16,004,350</u>	<u>-\$133,110</u>
	\$61,709,610	\$63,475,810	\$1,766,200

Component Percentage

	<u>2018-19</u>	<u>2019-20</u>
Administrative	7.5%	7.6%
Capital	18.3%	18.2%
Program	74.2%	74.2%

2019-20 Budget: Draft #2

Budget Element	Cost Estimate
2018-19 Budget Total	\$83,142,930
2019-20 Tax Levy Increase (Tax Cap 3.2%)	\$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
9	TOTAL		\$934,208

Voting Information



- Tuesday, May 21st
 - 7:00 am – 9:00 pm at High School Gymnasium
- Proposition #1: 2019-2020 Budget
- Proposition #2: Bus Purchase
- Board of Education Seats (2)

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)

P1 REQUEST FOR EXTENSION OF LEAVE OF ABSENCE

Recommended Action: Approval of the following non-instructional request for extension of leave of absence:

Julie Marcolivio, cleaner, requests an extension to her unpaid medical leave of absence effective March 13, 2019 – April 24, 2019.

P2 SUBSTITUTES

Bus Driver

Add:

Gina Terrana	345 Mill Street, Williamsville, NY 14221	(716) 440-2881
Mark Heine	34C Georgian Lane, Williamsville, NY 14221	(716) 398-1888