

Clarence Bee Article – February 2017

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Crafting the 2017-18 School Budget

The Board of Education started the budget construction process for the 2017-18 school year with two goals; protect the core programs of the district and exhibit fiscal responsibility with our community's tax dollars. The second public budget study session will be conducted on February 27, 2017. The budget proposed at that session, which is almost complete, will meet both of those goals.

On the expense side of the budget, the current draft increases spending year over year by 2.68 percent. Over seventy-five percent of expenses in the budget are for salaries and benefits, and as expected, those areas represent the majority of the increase. Spending increases in Clarence have traditionally been lower than other school districts. There have been a number of factors that have mitigated spending increases over the years. The school district has engaged in various efficiency measures, including self-funding health insurance, bringing special education students back into district programs and purchasing utilities via cooperatives as well negotiating higher contributions to health care by all employee groups.

There are two major sources of school funding on the revenue side of the budget, property taxes and state school aid. The recommended tax levy increase for 2017-18 is 1.7 percent, which is at the cap level and is the lowest levy increase in the six-year history of the property tax cap. Tax levy increases in Clarence have been traditionally very low and the estimated increase for 2017-18 on a home valued at \$200,000 is \$28.

Unfortunately, New York State has not provided adequate funding to Clarence for the past ten years and the Governor's proposed school aid for 2017-18 is no different. The Executive Budget does not provide enough funding to keep Clarence operating at last year's level and it would essentially repeal the existing Foundation Aid formula, leaving districts with no basis for forecasting potential future aid. The Governor also proposes to spend \$239 million on new programs, which have merit, but should not be considered until Foundation Aid is fully funded.

If Clarence does not receive the State School Aid necessary to close our revenue gap, we will use a combination of reserve funds and fund balance to make up the difference and stay within the tax cap for 2017-18.

We encourage the community to give us feedback on the budget process. All budget information can be found on our website. The next budget study session is scheduled for March 13th.