

2016-17
Budget Building Facts
Putnam Valley School District



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Challenges of Budget Building in 2016-17

KEY Revenue Items :

working with less incoming revenue such as

- ✓ Lower State Aid- (final Aid Amount not available)
Foundation Aid formula has not been reinstated
and the
Gap Elimination Aid has not been fully restored
- ✓ The lowest CPI since the tax cap was instituted

TAX CAP:

For the 2016-17 budget the District's allowable tax cap is .46% or 167K. The District cannot exceed this without a supermajority vote. A supermajority vote is not something the Board wants to solicit.

For the 3rd year in a row, the District will present a budget that is within the tax cap so that residents can remain eligible for a tax rebate in 2016-17.

Residents who were eligible for Tax Freeze Credits received a school tax reimbursement in 2015-16. There is new criteria for homeowners to receive it next year.

NEW Tax Cap Rebate Criteria for homeowners : LAW 606(n-1) for the years 2016-19

3 Most significant conditions of the law:

- ✓ District remains Tax Cap compliant 2 years in a row.
- ✓ Gross Income no greater than \$275,000 .
- ✓ Primary resident currently receiving the STAR exemption.

Paid Via Check to the taxpayer . First Year Estimate \$130. In future years the credit is a % based on various income levels.

POSITIVE Budget Notes:

- ✓ Lower state retirement contribution levels as well as some staff retirements are helping to neutralize some natural cost increases.

Other Cost Saving Measures include:

- ✓ Reallocation of personnel
- ✓ Continued multiple year contracts for services

Negotiated bargaining unit contracts create predictability

However, it is not enough to cover natural increases in salaries, insurance costs, utilities and everyday costs needed to operate a school district.

To fund the budget in 2016-17 and keep within the tax cap the District must use some reserves as they have in the past. The budget proposes the use of \$500,000 over and above the amount that was used 2015-16 even though the overall proposed budget is LOWER for 2016-17.

Reserves are used where appropriate to help balance the budget when State Aid and local revenues are not available

Summary:

The Board understands that the residents enjoy a high quality and diversified education for it's children. Sustaining programs within budget constraints is important to the taxpayers of the community.

From a financial standpoint, to maintain low Fiscal Stress in the community is a priority. Having 0% fiscal stress is something that the District and the Board of Education should be proud of. Using appropriate Reserves to balance the budget is ok but cannot continue to be relied on so heavily unless there are a means to maintain and restore Reserves to a healthy level.