

PUTNAM VALLEY SCHOOL DISTRICT



PROPOSED BUDGET 2017-18

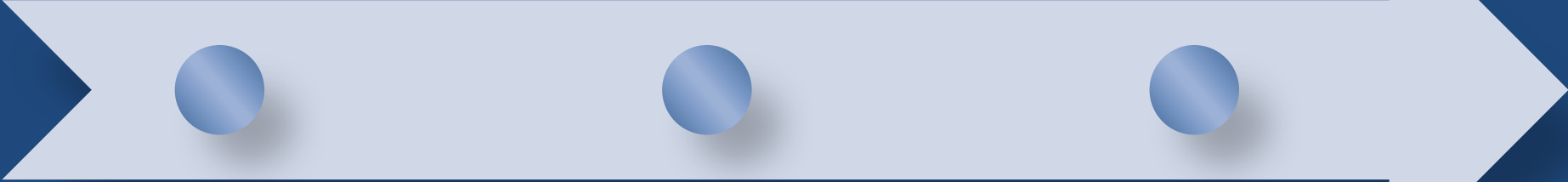
March 23, 2017

Jill Figarella

2017-18 Budget

What's New?
Program and
District Initiatives

Preparing
Students for the
Future



The budget is not just a
collection of numbers,
but an expression of
our values and
aspirations.

Jacob Lew

Program and District Initiatives Included in the Proposed Budget

District Wide Initiatives-

- World Language Expansion at the MS- Mandarin Chinese
- Children's Environmental Literacy Foundation (CELFF) teaching students how to balance economic, social, and environmental systems. (K-12) Directly tied to Energy Performance Project.
- Continue Innovative Designs in Education (IDE). K-12
- International Baccalaureate Program startup for the HS - to be implemented in 2019-20 for grades 11 & 12.
- Active Learning Lab additions at MS (Science & Journalism)
- Anticipated additional staff needed- 2.4 teaching positions at the HS , 3.0 teaching positions at the MS , a Teaching Assistant and a School Monitor to support programs at the MS and to assist in lowering class sizes; also a Director of Learning and Innovative Educational Opportunities
- 1 additional Cleaner position at the HS in conjunction with the new schedule

Balancing Costs of new Initiatives and staying within the Tax Cap

Expenditure Changes and Revenue highlights:

- ▣ A reduction in NYS retirement contribution rates, 8 retiring teachers and 7 retiring non-teaching staff will help pay for program changes.
- ▣ The proposed budget also uses available fund balance to help balance revenues. Use of our debt service reserve will help to meet the obligation of debt payments. The Local Retirement Systems reserve will help supplement the necessary retirement contributions for our non-teaching staff. Use of the Employee Benefit and Liability Reserve will reflect a reduction due to our retiring employees . The use of fund balance does lower the overall amount we have in reserve but will be used to benefit and supplement the instructional portion of the budget to reduce class size and enhance programs.

Cont.....Balancing Costs of new Initiatives and staying within the Tax Cap

- ▣ Despite the increased available CPI of 1.26%, the allowable tax levy cap will stay almost flat due to a decreased tax levy base over the last two years and the declining debt. The 2017-18 proposed tax levy is a decrease over the prior year's proposed levy by \$69,143. In 2016-17, prior to the tax levy being adopted, the Board was able to lower the final 2016-17 levy by \$370,000 and relieve the local share of the burden to the taxpayers totaling \$650K in levy reductions over the previous two years.
- ▣ The newly proposed tax levy is an increase of \$300,857. However, the levy remains lower than it was 5 years ago in 2013-14.

Cont.....Balancing Costs of new Initiatives and staying within the Tax Cap

- An increase in Health Premiums by 8% will impact the budget by \$400K+
- Natural increases in contractual bargaining unit contracts and cost increases for vendor contracts, materials and supplies.
- Transportation: as the District continues to serve particular transportation needs.-propose financing (2) 4WD vehicles. State allows schools to utilize a 5-year note for purchasing student transportation vehicles.

2017-18 Enrollment Projection

	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-2017	100	125	107	112	132	121	138	150	131	141	149	136	158	1700
2017-2018	114	101	126	111	115	134	125	140	148	138	142	152	134	1680
	3 Year Average													
2017-2018	111	102	128	109	115	136	125	140	150	135	142	151	136	1680
	5 Year Average													
Average	+	-	+	-	-	+	-	-	+	-	-	+	-	-
	12.5	24.5	20	2	17	16	13	10	18	4.5	7	15.5	21	20
GRADE	K	1	2	3	4	5	6	7	8	9	10	11	12	

Live birth rates are used when calculating the projected enrollment.

Changes in Staff:

- 2.4 Teachers at the HS
 - 1.0 Science to reduce class size
 - 1.0 ELA/Film- coordination of current teachers for additional sections of the achievement center to allow for nine periods, math, journalism, film electives
 - .4 in Spanish (shared with MS)
 - 12 month Office Assistant being replaced with a school calendar employee

- 3.0 Teachers at the MS to address program and class sizes
 - .6 Spanish (shared with HS)
 - .4 Home and Careers (mandated program)
 - .6 Social Studies (addresses class size)
 - .8 ELA Reading/Writing addition Gen Ed lab 1x/wk
 - .6 Special Education/Reading (share with HS)

- Director of Learning and Innovative Educational Opportunities (K-12)
- 1 Teaching Assistant and 1 monitor positions at the MS Active Learning Lab
- 1 FT time cleaner at the HS
- Replacement of 8 retiring teachers & 7 retiring non-teaching positions



*The Four
Categories of
Revenue*

2017-18
Revenue

School Taxes.....

are driven by a formula- aka the "tax cap". The CPI or consumer price index used to develop the tax cap is 1.26%. The formula yields an increase in the tax levy of \$300,857. Showing sustainability- Levy remains lower than it was 5 years ago..

State Aid.....

50% of our aid is expenditure driven. 50% is formula driven. Districts statewide are hoping for the reinstatement of foundation aid. Legislators are asking for the return of foundation aid in its original form not the modified form that is being proposed.

Other Revenue.....

"Other" sources of revenue can be unpredictable such as interest earnings, Out-of-District Tuitions, Building use and some Refunds of prior years expenses

Appropriated Fund
Balance...

EBALR: (Employee Benefit and Liability Reserve) this reserve will be adjusted for 15 retiring employees. Employees Retirement Reserve: supports the District retirement contribution for non-teaching staff. Tax Certiorari-can be adjusted up to the value of the claims on hand.

*The Four
Categories of
Expenditures*

2017-18 Expenditures

General Support

includes and business functions. Changes in personnel, technology needs.

Instruction

-While retirements can help reduce salaries in future years. Labor contract considerations will increase. Higher BOCES program cost mainly due to higher health costs, additional IT upkeep.

5.4 new teaching positions and the Director of Learning & Innovative Educational Opportunities as well as new program offerings.

Transportation-

Increase of 1% in the home to school contract
Could be impacted by a piloted mid-year change to a later start time at the HS.

Benefits

Health premiums will increase by 8%
Employer contribution rate reduced to the NYSTRS. Cost considerations for any Affordable Care Act impacts, additional salary impact employer payroll taxes

Proposed Revenue 2017-18

Revenues	Approved Budget 2014-15	Approved Budget 2015-16	Approved Budget 2016-17	Proposed Budget 2017-18	Budget to Budget \$\$\$\$	% Diff. Budget to Budget
Appropriated Fund Balance	1,179,068	994,632	1,493,617	1,658,318	164,701	11.03%
Real Property Tax	36,125,964	35,944,964	35,844,964 <i>ACTUAL*</i> 35,474,964 <i>*Tax levy was reduced after the vote</i>	35,775,821	(-)69,143 <i>Actual*</i> (+)300,857	(-).19% <i>Actual*</i> +.84%
Local Non-Tax Sources	1,012,300	841,000	555,000	695,000	140,000	25.23%
State & Federal Sources	9,837,815	10,195,323	10,049,681	10,415,000	365,319	3.64%
Total	47,975,919	47,975,919	47,943,262	48,544,139	600,877	1.25%

Proposed Expenditures 2017-18

Expenditures	Budget 2014-15	Budget 2015-16	Budget 2016-17	Budget 2017-18	Budget to Budget \$\$\$\$\$\$	% Diff. Budget to Budget
General Support	4,122,680	4,334,410	4,323,290	4,362,485	39,195	.91%
Instruction	25,954,742	26,915,530	27,645,098	28,880,274	1,235,176	4.47%
Transportation	2,813,069	2,812,726	2,753,496	2,629,895	-123,601	-4.49%
Undistributed (Benefits & Transfers)	15,264,656	13,913,253	13,221,378	12,671,485	-549,893	-4.16%
Total- General Fund	48,155,147	47,975,919	47,943,262	48,544,139	600,877	1.25%

Putnam Valley School District Operating Budget Comparison

	2014-15 Approved Budget	2015-16 Approved Budget	2016-17 Approved Budget	2017-18 Proposed	% Change
Budget	48.6M	47.9M	47.9M	48.5M	1.25%
Tax Levy	36.1M	35.9M	35.8M <i>Actual* 35.4M</i>	35.7M	-.19%
*Use of Fund Balance	1.1M	994K	**1.8M	1.6M	11.03%

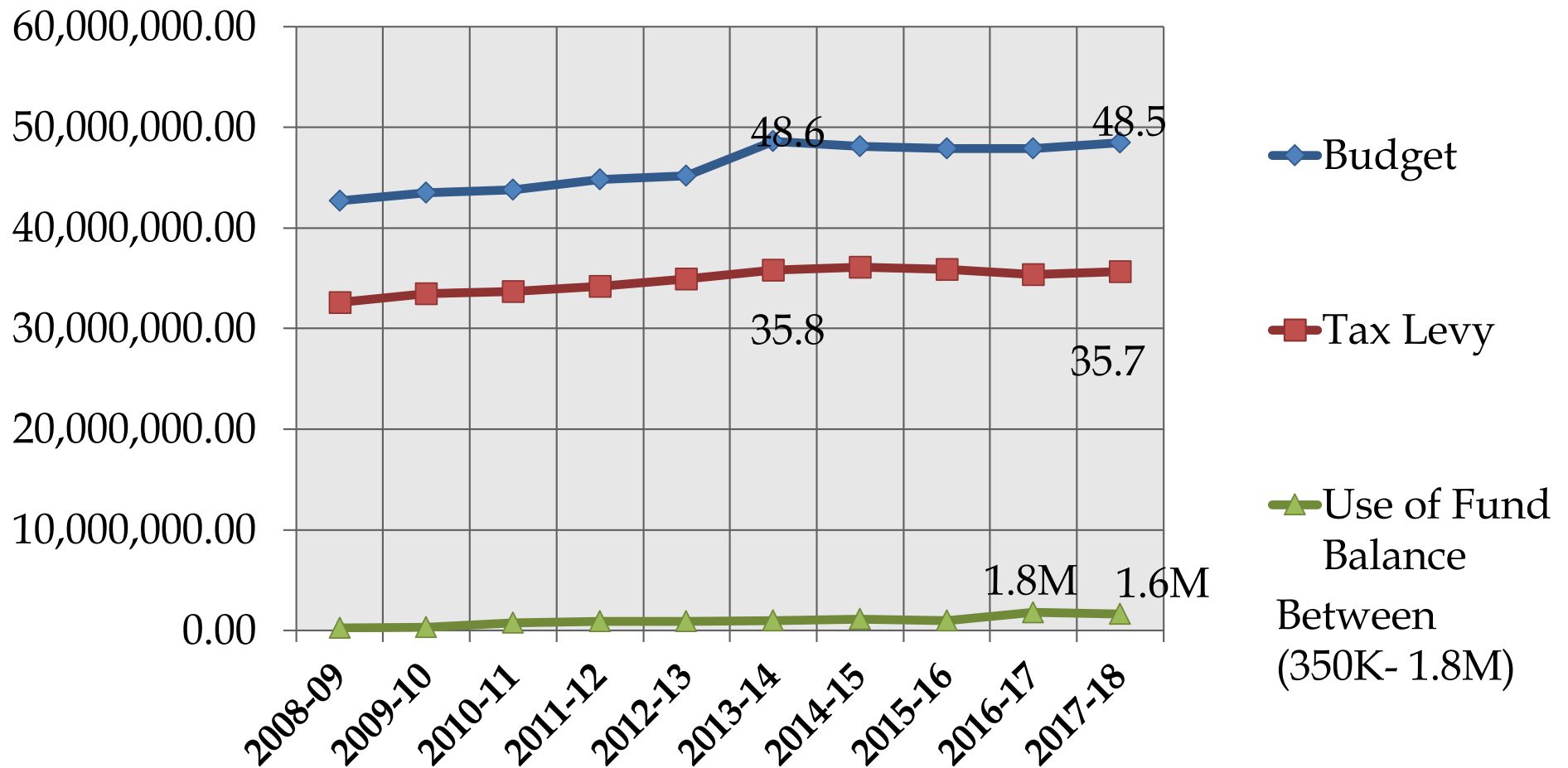
Tax Rate is dependent upon the state set equalization rates and final assessments

**In 2016-17 we reduced the available fund balance by reducing the voter approved tax levy by \$370K .

*Note on the use of fund balance:

In 2015-16 it was recommended by the State Comptroller that we utilize the our reserved fund balance when computing the budget.

Revenue/Expenditure/Use of Fund Balance Comparison



The chart indicates that the tax levy decreases while use of fund balance increases steadily . Use of fund balance is another way of returning tax payer dollars when feasible.

The proposed tax levy and budget are both less than proposed 5 years ago in 2013-14

FACT: Fund balances cannot withstand sustained use without decreasing a healthy level of fiscal fitness. The use of fund balance may have to decrease to protect future fund balance . In other words, if we do not have similar surpluses in budgets going forward our overall fund balance will decrease.

WHAT HAPPENS IF THE BUDGET DOESN'T PASS?

BOARD DECIDES.....

1. PROPOSE THE SAME BUDGET FOR
RE-VOTE IN JUNE

2. NEW BUDGET PROPOSAL
 1. ADOPT A CONTINGENT BUDGET

WHAT IS A CONTINGENT BUDGET?

- ▣ “In all school districts the state school budgets are determined by the qualified voters of the school district. In the event the voters reject a proposed budget, the board of education is empowered to levy a tax sufficient to defray the cost of those items specifically authorized by statute, and the cost of those items determined by the board to constitute "ordinary contingent expenses." In addition, Section 2023 of the Education Law places a computed dollar cap on the administrative component of the budget.”
- ▣ All non-contingent items of expenditure must be removed from a contingency budget. The tax levy proposed cannot be greater than the prior year. Health and safety must be maintained
- ▣ Determining which items fall under "ordinary contingent expenses" rests with the board of education. It is also possible that some ordinary contingent expenses would have to be reduced or eliminated in order to meet the levy requirement.

Some examples: extracurricular activities, some interscholastic athletics, transportation mileage limits or, perhaps a combination?

PROPOSITION # 2.

Energy Performance Contract

10% Additional Aid incentive= \$600,000K

if the Proposition is approved via the voting process.

Reducing our Carbon Footprint



The Energy Performance Contract will allow the District to upgrade the facilities with more-efficient equipment while financing the new equipment with the guaranteed energy savings that the project will generate. Some of the highlights include:

- ✓ Solar Photovoltaic rooftop systems on the Middle School, High School and Elementary School bus garage roof
- ✓ New window upgrades in the Elementary School 1962 & 1935 wings
- ✓ New LED lighting throughout the district
- ✓ A Geothermal Heat Pump system at the Elementary School to significantly reduce reliance on oil at that school
- ✓ Upgrade of the Building Management System at each of the Schools. (Temperature Monitoring)



This project will generate over \$384,000 in annual savings which, as mentioned previously, will pay for the project costs over a 15-year finance term. This means NO COST to the District taxpayer. As an incentive, the District will receive an additional 10% in aid if the voters approve the proposition at the vote in May.

Budget, Trustees & Proposition 2

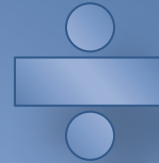


- **When: May 16, 2017 Where: Putnam Valley Elementary School**
 - Time: 6: 00 a.m. – 9:00 p.m.
- Absentee Ballots available until at the District Office or on line.
Completed ballots must be received by the Clerk by 5:00 p.m. on May 16th
- Trustees: There will be 1 Position open on the Board

Monday, April 17, 2017 last day to submit a petition to run for the Board of Education

- There will be 2 propositions on the ballot
 - 1. General Operating Budget
 - 2. Energy Performance Contract





2017-18 Budget

Discussion?
Questions?

